

D R A F T

FOR DISCUSSION ONLY

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

NATIONAL CONFERENCE OF COMMISSIONERS

ON UNIFORM STATE LAWS

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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By

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

The ideas and conclusions set forth in this draft, including the proposed statutory language and any comments or reporter's notes, have not been passed upon by the National Conference of Commissioners on Uniform State Laws or the Drafting Committee. They do not necessarily reflect the views of the Conference and its Commissioners and the Drafting Committee and its Members and Reporter. Proposed statutory language may not be used to ascertain the intent or meaning of any promulgated final statutory proposal.

February 21, 2011

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HARMONIZED UNIFORM LIMITED PARTNERSHIP ACT (2001)

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1 **Introductory Reporters' Note**

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

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

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

12	HUB	Business Organizations Act
13	META	Model Entity Transactions Act
14	MORAA	Model Registered Agents Act
15	UPA	Uniform Partnership Act (1997)
16	ULPA	Uniform Limited Partnership Act (2001)
17	ULLCA	Uniform Limited Liability Company Act (200_)
18	USTEA	Uniform Statutory Trust Entity Act
19	Coop Act	Uniform Limited Cooperative Association Act
20	UUNAA	Uniform Unincorporated Nonprofit Association Act (200_)

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

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

29
30
31 **UNLESS OTHERWISE INDICATED IN A REPORTERS' NOTE, CHANGES MADE**
32 **IN BLUE ARE TO CONFORM TO HULLCA.**
33

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:

58 (i) a redemption or other purchase by a limited partnership of a
59 transferable interest; and
60 (ii) a transfer to a partner in return for the partner’s relinquishment of any
61 right to participate as a partner in the management or conduct of the partnership’s activities; or
62 have access to records or other information concerning the partnership activities; and
63 (B) does not include amounts constituting reasonable compensation for present or
64 past service or payments made in the ordinary course of business under a bond fide retirement
65 plan or other bona fide benefits program.

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

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

73 (8) “General partner” means:

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

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

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

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

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

84 (10) “Limited partner” means:

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

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

89 (ii) has not dissociated under Section 601.

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

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

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

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

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

104 ~~agency, or instrumentality; public corporation, or any other legal or commercial entity.~~ “Person”
105 means an individual, business corporation, nonprofit corporation, partnership, limited
106 partnership, limited liability company, [general cooperative association,] limited cooperative
107 association, unincorporated nonprofit association, statutory trust, business trust, common-law
108 business trust, estate, trust, association, joint venture, public corporation, government or
109 governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

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

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

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

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

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

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

125 (21) ~~(20)~~ “Required information” means the information that a limited partnership is
126 required to maintain under Section 111.

127 ~~(19)~~ (21) “Sign” means, with the present intent to authenticate or adopt a record:

128 (A) to execute or adopt a tangible symbol ~~with the present intent to~~

129 ~~authenticate a record;~~ or

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

131 ~~process to or with a record with the present intent to authenticate the record.~~

132 ~~(20)~~ (22) “State” means a State of the United States, the District of Columbia, Puerto

133 Rico, the United States Virgin Islands, or any territory or insular possession subject to the

134 jurisdiction of the United States.

135 (23) “Transfer” includes:

136 (A) an assignment;₂

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

138 (C) a sale;₂

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

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

141 (F) a gift;₂

142 (G) and transfer by operation of law.

143 (24) “Transferable interest” means ~~a partner’s right to receive distributions~~ means the

144 right, as initially owned by a person in the person’s capacity as a partner, to receive distributions

145 from a limited partnership in accordance with the partnership agreement, whether or not the

146 person remains a partner or continues to own any part of the right. The term applies to any

147 fraction of the interest, by whomever owned.

148 (25) “Transferee” means a person to which all or part of a transferable interest has been

149 transferred, whether or not the transferor is a partner. The term includes a person that owns a

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

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

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

153 (1) has actual knowledge of it; or

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

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

156 (1) ~~knows of it;~~

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

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

159 time in question; or

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

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

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

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

170 (2) a limited partnership's:

171 (A) dissolution, 90 days after the effective date of an amendment to the

172 certificate of limited partnership stating that the limited partnership is dissolved;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

215 **SECTION 105. POWERS.** A limited partnership has the powers capacity to sue and be
216 sued in its own name and the power to do all things necessary or convenient to carry on its
217 activities, ~~including the power to sue, be sued, and defend in its own name and to maintain an~~
218 ~~action against a partner for harm caused to the limited partnership by a breach of the partnership~~

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

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

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

222 (2) the liability of a partner as partner for the debts, obligations, or other liabilities of a

223 limited partnership ~~relations among the partners of a limited partnership and between the~~

224 ~~partners and the limited partnership and the liability of partners as partners for an obligation of~~

225 ~~the limited partnership.~~

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

227 **~~INTEREST.~~**

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

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

232 **SECTION 108. NAME.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

263 (d) Except as otherwise provided in subsections (e) and (g), the name of a limited
264 partnership, and the name under which a foreign limited partnership may register to do business

265 in this state, must be distinguishable on the records of the [Secretary of State] from any:

266 (1) name of another domestic filing entity or limited liability partnership;

267 (2) name of a foreign filing entity or foreign limited liability partnership that is
268 registered to do business in this state;

269 (3) name that is reserved under Section 109;

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

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

272 (e) Subsection (d) does not apply if the other entity or the person for which the name is
273 reserved or registered consents in a record to the use of the name and submits an undertaking in a
274 form satisfactory to the [Secretary of State] to change its name to a name that is distinguishable
275 on the records of the [Secretary of State] from any name in any category of names in subsection
276 (d).

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

285 (g) The holder of a name under subsection (d) may consent in a record to the use of a
286 name that is not distinguishable on the records of the [Secretary of State] from its name except
287 for the addition of a word, phrase, or abbreviation indicating the type of entity described in

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

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

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

294 **SECTION 109. RESERVATION OF NAME.**

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

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

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

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

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

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

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

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

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

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

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

323 (a) A person may reserve the exclusive use of a name by delivering an application to the
324 [Secretary of State] for filing. The application must state the name and address of the applicant
325 and the name proposed to be reserved. If the [Secretary of State] finds that the name applied for
326 is available, the [Secretary of State] shall reserve the name for the applicant's exclusive use for a
327 period of [120] days.

328 (b) The owner of a reserved name may transfer the reservation to another person by
329 delivering to the [Secretary of State] a signed notice in a record of the transfer which states the
330 name and address of the transferee.

331 **SECTION 110. REGISTRATION OF NAME.**

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

334 distinguishable upon the records of the [Secretary of State] from the names that are not available
335 under Section ____.

336 (b) To register its name or an alternate name required by Section ____, a foreign limited
337 partnership must deliver to the [Secretary of State] for filing an application stating its name, or
338 its name with any addition required by Section ____, and the jurisdiction and date of its formation.
339 If the [Secretary of State] finds that the name applied for is available, the [Secretary of State]
340 shall register the name for the applicant's exclusive use.

341 (c) The registration of a name under this section is effective for [one year] after the date
342 of filing.

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

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

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

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

354 (3) another foreign filing entity or foreign limited liability partnership authorized
355 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 **SECTION ~~110~~ 111. ~~EFFECT OF~~ PARTNERSHIP AGREEMENT;**
360

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

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

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

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

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

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

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

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

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

401 ~~(8) (9) vary the power of a person to dissociate as a general partner under Section~~
402 ~~604(a) except to require that the notice under Section 603(1) be in a record;~~

403 ~~(9) (10) vary the power of a court to decree dissolution in the circumstances~~

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

406 ~~(10)~~ (11) vary the requirement to wind up the partnership's business as specified
407 in Section ~~803~~ 802;

408 ~~(11)~~ (12) unreasonably restrict the right of a partner to maintain an action under
409 [Article] 10;

410 ~~(12)~~ (13) ~~restrict the right~~ vary the rights of a partner under:

411 (A) Section ~~1110(a) to approve a conversion or merger~~ Sections
412 1123(a)(2), 1133(a)(2), 1043(a)(2), or 1053(a)(2); or

413 ~~(13)~~ (14) vary any requirements or procedures pertaining to:

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

416 (B) registered agents; or

417 ~~(13)~~ (15) except as otherwise provided in Sections 111 and 112(b), restrict the
418 rights under this [Act] of a person other than a partner ~~or a transferee~~.

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

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

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

425 (A) restrict or eliminate the aspects of the duty of loyalty stated in Section
426 409 (b);

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

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

431 (D) alter or eliminate any other fiduciary duty.

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

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

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

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

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

441 **Reporters' Notes**

442
443 *Subsection (a) – HULLCA § 110(a)(2) (“the rights and duties under this [act] of a person*
444 *in the capacity of manager”)* has been omitted as inapplicable.

445
446 *Subsection (d) – HULLCA § 110(d)(2) (applicable when “the operating agreement of a*
447 *member-managed limited liability company expressly relieves a member of a responsibility that*
448 *the member”)* is omitted because a limited partnership is analogous to a manager-managed LLC.

449 **SECTION 112. PARTNERSHIP AGREEMENT; EFFECT ON LIMITED**

450 **PARTNERSHIP AND PERSONS BECOMING PARTNERS; PREFORMATION**

451 **AGREEMENT.**

452
453 (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.

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

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

484 (1) the agreement prevails as to partners, dissociated partners, and transferees; and
485 (2) the record prevails as to other persons to the extent they reasonably rely on the
486 record.

487 **Reporters' Notes**

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

490
491 **SECTION ~~111~~ 114. REQUIRED INFORMATION.** A limited partnership shall
492 maintain at its designated principal office the following information:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

520 ~~**SECTION 112. BUSINESS TRANSACTIONS OF PARTNER WITH**~~

521 ~~**PARTNERSHIP.** A partner may lend money to and transact other business with the limited~~
522 ~~partnership and has the same rights and obligations with respect to the loan or other transaction~~
523 ~~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:

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

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

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

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

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

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

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

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

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

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

570 consented to serve.

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

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

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

579 (1) the name of the partnership;

580 (2) the name of the agent;

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

582 (4) the address of the partnership to which the agent will send the notice required

583 by subsection (c).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

615 **SECTION ~~117~~ 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.~~

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[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) other matters but may not vary or 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

690 partnership A limited partnership is formed when the certificate of limited partnership has
691 become effective and at least one person has become a general partner and at least one person
692 has become a limited partner. If the certificate states a delayed effective date, a limited
693 partnership is not formed if, before the certificate takes effect, a statement of cancellation is
694 signed and delivered to the [Secretary of State] for filing and the [Secretary of State] files the
695 certificate.

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

699 ~~(1) the partnership agreement prevails as to partners and transferees; and~~

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

703 Reporters' Notes

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

705

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

707

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

709

710 *Subsection (d)* – conformed to HULLCA.

711

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

714

715 **SECTION 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF**

716 **LIMITED PARTNERSHIP.**

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

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

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

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

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

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

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

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

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

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

745 (1) cause the certificate to be amended; or

746 (2) if appropriate, deliver to the [Secretary of State] for filing a statement of
747 change ~~pursuant to~~ under Section ~~415~~ **TBD** or a statement of correction ~~pursuant to~~ under
748 Section ~~207~~ **TBD**.

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

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

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

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

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

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

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

762 **Reporters' Notes**

763

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

765 winding up.

766

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

768 **TO [SECRETARY OF STATE].**

769 (a) ~~Each~~ A record delivered to the [Secretary of State] for filing pursuant to this [act]

770 must be signed ~~in the following manner as follows:~~

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

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

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

779 (4) An amendment to the certificate of limited partnership required by Section
780 ~~803~~ 802 (c) following the appointment of a person to wind up the dissolved limited partnership's
781 activities must be signed by that person.

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

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

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

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

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

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

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

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

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

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

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

808 ~~(10)~~ (9) Any other record delivered ~~on behalf of~~ by a limited partnership to the
809 [Secretary of State] for filing must be signed by at least one general partner listed in the
810 certificate of limited partnership.

811 ~~(11)~~ (10) A statement by a person pursuant to Section 605(a)(4) stating that the

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

813 ~~(12)~~ (11) A statement of withdrawal by a person pursuant to Section 306 must be
814 signed by that person.

815 ~~(13)~~ (12) A record delivered on behalf of a foreign limited partnership to the
816 [Secretary of State] for filing must be signed by at least one general partner of the foreign limited
817 partnership.

818 ~~(14)~~ (13) Any other record delivered on behalf of any person to the [Secretary of
819 State] for filing must be signed by that person.

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

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

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

826 (1) the person to sign the record;

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

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

829 (b) If the ~~person aggrieved~~ the petitioner under subsection (a) is not the limited
830 partnership or foreign limited partnership to which the record pertains, the ~~aggrieved person~~ the
831 petitioner shall make the limited partnership or foreign limited partnership a party to the action.

832 ~~A person aggrieved under subsection (a) may seek the remedies provided in subsection (a) in the~~
833 ~~same action in combination or in the alternative.~~

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

835 being signed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

865 (3) if the record specifies a delayed effective date but not an effective time, at
866 12:01 a.m. on the earlier of:

867 (A) the specified date; or

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

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

871 (A) the specified date; or

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

873 **SECTION 205. FILING REQUIREMENTS.**

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

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

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

879 (3) The words in the record must be in English, and numbers must be in Arabic or
880 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~~

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

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

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

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

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

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

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

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

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

947 (1) the record at the time of filing was inaccurate;

948 (2) the record was defectively signed; or

949 (3) the electronic transmission of the record to the [Secretary of State] was
950 defective.

951 (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

968 **SECTION 209. DUTY OF [SECRETARY OF STATE] TO FILE; REVIEW OF**

969 **REFUSAL TO FILE; TRANSMISSION OF INFORMATION BY THE [SECRETARY OF**

970 **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

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

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

983 (d) If the [Secretary of State] refuses to file a record pursuant to this act, the person that
984 submitted the filing may seek review of the refusal by the [appropriate court] under the following
985 procedures:

986 (1) The review proceeding is commenced by petitioning the court to compel filing
987 of the record and by attaching to the petition the record and the explanation of the [Secretary of
988 State] of the refusal to file.

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

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

992 (e) The filing of or refusal to file a record pursuant to this [act] does not:

993 (1) affect the validity or invalidity of the filing in whole or in part;

994 (2) affect the correctness or incorrectness of information contained in the filing; or

995 (3) create a presumption that the filing is valid or invalid or that information
996 contained in the filing is correct or incorrect.

997 (f) Except as provided by Section 116 or by law other than this [act], the [Secretary of
998 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~~;~~₂

1020 (ii) ~~file~~ filed a petition ~~pursuant to~~ under Section ~~205, 204;~~₂ 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 ~~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

1155 of its powers or management of its activities is not a ground for imposing liability on any limited
1156 partner for any debt, obligation, or other liability of the company.

1157 **SECTION 304. RIGHT TO INFORMATION OF LIMITED PARTNER AND**
1158 **FORMER PERSON DISSOCIATED AS LIMITED PARTNER TO INFORMATION.**

1159 (a) On 10 days' demand, made in a record received by the limited partnership, a limited
1160 partner may inspect and copy required information during regular business hours in the limited
1161 partnership's designated office. The limited partner need not have any particular purpose for
1162 seeking the information.

1163 (b) During regular business hours and at a reasonable location specified by the limited
1164 partnership, a limited partner may obtain from the limited partnership and inspect and copy true
1165 and full information regarding ~~the state of~~ the activities, ~~and~~ financial condition, ~~and other~~
1166 circumstances of the limited partnership ~~and other information regarding the activities of the~~
1167 limited partnership as is just and reasonable if:

1168 (1) the limited partner seeks the information for a purpose reasonably related to
1169 the partner's interest as a limited partner;

1170 (2) the limited partner makes a demand in a record received by the limited
1171 partnership, describing with reasonable particularity the information sought and the purpose for
1172 seeking the information; and

1173 (3) the information sought is directly connected to the limited partner's purpose.

1174 (c) Within 10 days after receiving a demand pursuant to subsection (b), the limited
1175 partnership in a record shall inform the limited partner that made the demand:

1176 (1) ~~what of the~~ information that the ~~limited~~ partnership will provide in response to
1177 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 ~~(i)~~ (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 **SECTION 305. LIMITED DUTIES OF LIMITED PARTNERS.**
1233

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~~ 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

1335 personally liable for ~~an~~ debt, obligation, or other liability of ~~a limited~~ the partnership incurred
1336 before the person became a general partner.

1337 (c) ~~An~~ A debt, obligation, or other liability of a limited partnership incurred while the
1338 limited partnership is a limited liability limited partnership, ~~whether arising in contract, tort, or~~
1339 ~~otherwise,~~ is solely the debt, obligation, or other liability of the limited liability partnership. A
1340 general partner is not personally liable, directly or indirectly, by way of contribution or
1341 otherwise, for such a debt, obligation, or other liability solely by reason of being or acting as a
1342 general partner of a limited liability limited partnership. This subsection applies despite anything
1343 inconsistent in the partnership agreement that existed immediately before the consent required to
1344 become a limited liability limited partnership under Section 406(b)(2).

1345 (d) The failure of a limited liability limited partnership to observe any formalities
1346 relating to the exercise of its powers or management of its activities is not a ground for imposing
1347 liability on any general partner of the limited liability limited partnership.

1348 **SECTION 405. ACTIONS BY AND AGAINST PARTNERSHIP AND**
1349 **PARTNERS.**

1350 (a) To the extent not inconsistent with Section 404, a general partner may be joined in an
1351 action against the limited partnership or named in a separate action.

1352 (b) A judgment against a limited partnership is not by itself a judgment against a general
1353 partner. A judgment against a limited partnership may not be satisfied from a general partner's
1354 assets unless there is also a judgment against the general partner.

1355 (c) A judgment creditor of a general partner may not levy execution against the assets of
1356 the general partner to satisfy a judgment based on a claim against the limited partnership, unless
1357 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

1381 limited partnership's property, with or without the good will, other than in the usual and regular
1382 course of the limited partnership's activities; and

1383 (4) approve a merger, interest exchange, conversion, or domestication under
1384 [Article] 11.

1385 (c) ~~A limited partnership shall reimburse a general partner for payments made and~~
1386 ~~indemnify a general partner for liabilities incurred by the general partner in the ordinary course~~
1387 ~~of the activities of the partnership or for the preservation of its activities or property.~~

1388 ~~(d)~~ A limited partnership shall reimburse a general partner for an advance to the limited
1389 partnership beyond the amount of capital the general partner agreed to contribute.

1390 ~~(e)~~ (d) A payment or advance made by a general partner which gives rise to an obligation
1391 of the limited partnership under subsection (c) or ~~(d)~~ Section 408(a) constitutes a loan to the
1392 limited partnership which accrues interest from the date of the payment or advance.

1393 ~~(f)~~ (e) A general partner is not entitled to remuneration for services performed for the
1394 partnership.

1395 **Reporters' Notes**

1396
1397 *Former subsection (c)* – in conformity with HULLCA, the subject matter of this
1398 provision is now covered in Section 408

1399
1400 **SECTION 407. RIGHT TO INFORMATION OF GENERAL PARTNER AND**
1401 **FORMER AND PERSON DISSOCIATED AS GENERAL PARTNER ~~TO~~**
1402 **INFORMATION.**

1403 (a) A general partner may inspect and copy required information during regular business
1404 hours in the limited partnership's principal office, without having any particular purpose for
1405 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.

1477 Changes shown in black pertain to changes made in order to re-sequence subsections to
1478 parallel the sequence in HULLCA, § 410.

1479
1480 **SECTION 408. REIMBURSEMENT, INDEMNIFICATION, ADVANCEMENT,**
1481 **AND INSURANCE.**

1482 (a) A limited partnership shall reimburse a general payment for any payment made by a
1483 general partner in the course of the general partner's activities on behalf of the partnership, if the
1484 general partner complied with Sections 406, 409, and 505 in making the payment.

1485 (b) A limited partnership shall indemnify and hold harmless a person that is a general
1486 partner or has been as dissociated as a general partner with respect to any claim or demand
1487 against the person and any debt, obligation, or other liability incurred by the person by reason of
1488 the person's former or present capacity as a general partner, if the claim, demand, debt,
1489 obligation, or other liability does not arise from the person's breach of Section 406, 409, or 505.

1490 (c) As an activity in the ordinary course of its activities, a limited partnership may
1491 advance reasonable expenses, including attorney's fees and costs, incurred by a person that is a
1492 general partner or has been as dissociated as a general partner in connection with a claim or
1493 demand against the person by reason of the person's former or present capacity as a general
1494 partner, if the person promises to repay the limited partnership if the person ultimately is
1495 determined not to be entitled to be indemnified under subsection (b).

1496 (d) A limited partnership may purchase and maintain insurance on behalf of a general
1497 partner against liability asserted against or incurred by the general partner in that capacity or
1498 arising from that status even if, under Section 110(c)(7), the partnership agreement could not
1499 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

1561 a limited partnership before its dissolution and winding up must be shared among the partners on
1562 the basis of the value, as stated in the required records when the limited partnership decides to
1563 make the distribution, of the contributions the limited partnership has received from each
1564 partner.

1565 ~~SECTION 504. INTERIM DISTRIBUTIONS.~~ (b) A ~~partner does not have~~ has a right
1566 to ~~any~~ a distribution before the dissolution and winding up of the limited partnership ~~unless~~ only
1567 if the ~~limited~~ partnership decides to make an interim distribution. A person's dissociation does
1568 not entitle the person to a distribution.

1569 ~~SECTION 505. NO DISTRIBUTION ON ACCOUNT OF DISSOCIATION.~~ A
1570 ~~person does not have a right to receive a distribution on account of dissociation.~~

1571 ~~SECTION 506. DISTRIBUTION IN KIND.~~ (c) A ~~partner~~ person does not have a
1572 right to demand or receive any distribution from a limited partnership in any form other than
1573 cash. ~~Subject to~~ Except as otherwise provided in Section 812~~(b)~~ 814(b), a limited partnership
1574 may distribute an asset in kind ~~to the extent~~ only if each part of the asset is fungible with each
1575 other part and each ~~partner~~ person receives a percentage of the asset equal to the ~~partner's~~
1576 person's share of distributions.

1577 ~~SECTION 507. RIGHT TO DISTRIBUTION.~~ ~~When~~ (d) If a partner or transferee
1578 becomes entitled to receive a distribution, the partner or transferee has the status of, and is
1579 entitled to all remedies available to, a creditor of the limited partnership with respect to the
1580 distribution. However, the ~~limited~~ partnership's obligation to make a distribution is subject to
1581 offset for any amount owed to the ~~limited~~ partnership by the partner or dissociated partner on
1582 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 ~~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

1629 personally liable to the limited partnership for the amount of the distribution which exceeds the
1630 amount that could have been distributed without the violation of Section 505 if it is established
1631 that in consenting to the distribution the general partner failed to comply with Section 408.

1632 (b) A partner or transferee person that ~~received~~ receives a distribution knowing that the
1633 distribution to that partner or transferee person was made in violation of Section ~~508~~ 505 is
1634 personally liable to the limited partnership but only to the extent that the distribution received by
1635 the partner or transferee person exceeded the amount that could have been properly paid under
1636 Section ~~508~~ 505.

1637 (c) A general partner against which an action is commenced under subsection (a) may
1638 implead:

1639 (1) ~~implead in the action~~ any other person that is liable under subsection (a) and
1640 ~~compel~~ enforce a right of contribution from the person; and

1641 (2) ~~implead in the action~~ any person that received a distribution in violation of
1642 subsection (b) and ~~compel~~ enforce a right of contribution from the person in the amount the
1643 person received in violation of subsection (b).

1644 (d) An action under this section is barred if it is not commenced within two years after
1645 the distribution.

1646

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~~ 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~~;

1785 (8) in the case of a person that is a trust or is acting as a general partner by virtue of being
1786 a trustee of a trust, ~~distribution of~~ the trust's entire transferable interest in the ~~limited~~ partnership
1787 is distributed ,~~but not merely by reason of the substitution of a successor trustee~~;

1788 (9) in the case of a person that is an estate or is acting as a general partner by virtue of
1789 being a personal representative of an estate, ~~distribution of~~ the estate's entire transferable interest
1790 in the ~~limited~~ partnership is distributed ,~~but not merely by reason of the substitution of a~~
1791 ~~successor personal representative~~;

1792 (10) ~~termination in the case~~ of a general partner that is not an individual, partnership,
1793 limited liability company, corporation, trust, or estate, the general partner terminates; ~~or~~

1794 (11) the ~~limited partnership's participation~~ the limited partnership participates in a
1795 ~~conversion or~~ merger under [Article] 11, if ~~the limited partnership~~:

1796 (A) the partnership is not the ~~converted or~~ surviving entity; or

1797 (B) ~~is the converted or surviving entity but,~~ otherwise as a result of the
1798 ~~conversion or~~ merger, the person ceases to be a general partner.

1799 (12) the limited partnership participates in an interest exchange under [Article] 11, if, as a
1800 result of the interest exchange, the person ceases to be a general partner;

1801 (13) the limited partnership participates in a conversion under [Article] 11;

1802 (14) the limited partnership participates in a domestication under [Article] 11, if, as a
1803 result of the domestication, the person ceases to be a general partner; or

1804 (15) the limited partnership terminates.

1805 Reporters' Notes

1806
1807 *Paragraphs (6) and (7)* – The order of these two paragraphs has been reversed to
1808 conform to the order in HULLCA. Further changes made to conform substantively to HULLCA
1809 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:

1832 (1) the person's right to participate as a general partner in the management and
1833 conduct of the partnership's activities terminates;

1834 (2) ~~the person's duty of loyalty as a general partner under Section 408(b)(3)~~
1835 ~~terminates;~~

1836 ~~(3) the person's duty of loyalty as a general partner under Section 408(b)(1) and~~
1837 ~~(2) and duty of care under Section 408(c) continue only with regard to matters arising and events~~
1838 ~~occurring before the person's dissociation as a general partner~~ the person's fiduciary duties, duty
1839 of care, and obligation of good faith and fair dealing as a general partner end with regard to
1840 matters arising and events occurring after the person's dissociation;

1841 ~~(4)~~ (3) the person may sign and deliver to the [Secretary of State] for filing a
1842 statement of dissociation pertaining to the person and, at the request of the limited partnership,
1843 shall sign an amendment to the certificate of limited partnership which states that the person has
1844 dissociated as a general partner; and

1845 (5) subject to Section 704 and [Article] 11, any transferable interest owned by the
1846 person immediately before dissociation in the person's capacity as a general partner is owned by
1847 the person solely as a ~~mere~~ transferee.

1848 (b) A person's dissociation as a general partner does not of itself discharge the person
1849 from any debt, obligation, or other liability to the limited partnership or the other partners which
1850 the person incurred while a general partner.

1851 **SECTION 606. POWER TO BIND AND LIABILITY TO LIMITED**
1852 **PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF PERSON**
1853 **DISSOCIATED AS GENERAL PARTNER.**

1854 (a) After a person is dissociated as a general partner and before the limited partnership is

1855 dissolved, converted under [Article] 11, or merged out of existence under [Article 11], the
1856 limited partnership is bound by an act of the person only if:

1857 (1) the act would have bound the **limited** partnership under Section 402 before the
1858 dissociation; and

1859 (2) at the time the other party enters into the transaction:

1860 (A) less than two years has passed since the dissociation; and

1861 (B) the other party does not have notice of the dissociation and reasonably
1862 believes that the person is a general partner.

1863 (b) If a limited partnership is bound under subsection (a), the person dissociated as a
1864 general partner which caused the limited partnership to be bound is liable:

1865 (1) to the **limited** partnership for any damage caused to the limited partnership
1866 arising from the obligation incurred under subsection (a); and

1867 (2) if a general partner or another person dissociated as a general partner is liable
1868 for the obligation, to the general partner or other person for any damage caused to the general
1869 partner or other person arising from the liability.

1870 **SECTION 607. LIABILITY TO OTHER PERSONS OF PERSON DISSOCIATED**
1871 **AS GENERAL PARTNER.**

1872 (a) A person's dissociation as a general partner does not of itself discharge the person's
1873 liability as a general partner for an obligation of the limited partnership incurred before
1874 dissociation. Except as otherwise provided in subsections (b) and (c), the person is not liable for
1875 a limited ~~partnership's partnership~~ obligation incurred after dissociation.

1876 (b) A person whose dissociation as a general partner resulted in a dissolution and
1877 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.~~

1918 (c) In a dissolution and winding up of a limited partnership, a transferee is entitled to an
1919 account of the ~~limited~~ partnership's transactions only from the date of dissolution.

1920 (d) ~~Upon transfer, the transferor retains the rights of a partner other than the interest in~~
1921 ~~distributions transferred and retains all duties and obligations of a partner.~~ A transferable interest
1922 may be evidenced by a certificate of the interest issued by the limited partnership in a record,
1923 and, subject to this section, the interest represented by the certificate may be transferred by a
1924 transfer of the certificate.

1925 (e) A limited partnership need not give effect to a transferee's rights under this section
1926 until the ~~limited~~ partnership has notice of the transfer.

1927 (f) A transfer of a ~~partner's~~ transferable interest ~~in the limited partnership~~ in violation of
1928 a restriction on transfer contained in the partnership agreement is ineffective as to a person
1929 having notice of the restriction at the time of transfer.

1930 (g) Except as otherwise provided in Sections 601(4)(B) and 603(4)(B), when a general or
1931 limited partner transfers a transferable interest, the transferor retains the rights of a general or
1932 limited partner other than the interest in distributions transferred and retains all duties and
1933 obligations of a general or limited partner.

1934 (h) When a general or limited partner transfers a transferable interest to a person ~~A~~
1935 ~~transferee~~ that becomes a general or limited partner with respect to a transferable interest, the
1936 transferee is liable for the transferor's obligations under Sections 502 and ~~509~~ 506. ~~However,~~
1937 ~~the transferee is not obligated for liabilities unknown~~ known to the transferee at the time when
1938 the transferee became a partner.

1939 Reporters' Notes

1940
1941 *Former subsection (d)* – To harmonize with HULLCA, this language has been transferred

1942 to be part of subsection (g).

1943

1944 **SECTION 703. ~~RIGHTS OF CREDITOR OF PARTNER OR TRANSFeree~~**

1945 **CHARGING ORDER.**

1946 (a) On application ~~to a court of competent jurisdiction by any a~~ judgment creditor of a
1947 partner or transferee, ~~the court may charge the transferable interest of the judgment debtor with~~
1948 ~~payment of the unsatisfied amount of the judgment with interest~~ a court may enter a charging
1949 order against the transferable interest of the judgment debtor for the unsatisfied amount of the
1950 judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and
1951 requires the limited partnership to pay over to the person to which the charging order was issued
1952 any distribution that would otherwise be paid to the judgment debtor. To the extent so charged,
1953 ~~the judgment creditor has only the rights of a transferee. The court may appoint a receiver of the~~
1954 ~~share of the distributions due or to become due to the judgment debtor in respect of the~~
1955 ~~partnership and make all other orders, directions, accounts, and inquiries the judgment debtor~~
1956 ~~might have made or which the circumstances of the case may require to give effect to the~~
1957 ~~charging order.~~

1958 (b) ~~A charging order constitutes a lien on the judgment debtor's transferable interest. The~~
1959 ~~court may order a foreclosure upon the interest subject to the charging order at any time. The~~
1960 ~~purchaser at the foreclosure sale has the rights of a transferee. To the extent necessary to~~
1961 ~~effectuate the collection of distributions pursuant to a charging order in effect under subsection~~
1962 ~~(a), the court may:~~

1963 (1) appoint a receiver of the distributions subject to the charging order, with the
1964 power to make all inquiries the judgment debtor might have made; and

1965 (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
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Subsection (a) – Much of the stricken language reappears in subsection (b).

SECTION 704. POWER OF ESTATE OF DECEASED PARTNER. If a partner dies, the deceased partner’s personal representative or other legal representative may exercise: (1) the rights of a transferee ~~as~~ provided in Section 702(c); and, (2) for the purposes of settling the estate, ~~may exercise~~ the rights of a current limited partner under Section 304.

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 *Former subsection (a)(2) – relocated to subsection (a)(1) to conform to HULLCA.*

2076 *Subsection (c)(1) – added language is to parallel conceptually HULLPA, sec. 702(d)(1)*
2077 *(“deemed to be a manager for the purposes of Section 304(a)” – the liability shield).*

2080 **SECTION 803. RESCINDING DISSOLUTION.**

2081 (a) A limited partnership may rescind its dissolution under subsection (b), unless a
2082 statement of termination pertaining to the company has become effective, the [appropriate court]
2083 has entered an order under Section 801(5) dissolving the company, or the [secretary of state] has
2084 dissolved the company under Section TBD. If a partnership rescinds its dissolution, the
2085 partnership resumes carrying on its business as if dissolution had never occurred, and any
2086 liability incurred by the company after the dissolution and before the rescission is determined as
2087 if dissolution had never occurred. However, the rights of a third party arising out of conduct in
2088 reliance on the dissolution before the third party knew or received a notification of the rescission
2089 may not be adversely affected.

2090 (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.

2137 **SECTION 806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED**

2138 **PARTNERSHIP.**

2139 (a) ~~A Except as otherwise provided in subsection (d), a dissolved limited partnership~~
2140 ~~may dispose of the known claims against it by following the procedure described in subsection~~
2141 ~~(b) give notice of a known claim under subsection (b), which has the effect as provided in~~
2142 ~~subsection (c).~~

2143 (b) A dissolved limited partnership may in a record notify its known claimants of the
2144 dissolution ~~in a record~~. The notice must:

2145 (1) specify the information required to be included in a claim;

2146 (2) provide a mailing address to which the claim is to be sent;

2147 (3) state the deadline for receipt of the claim, which may not be less than 120 days
2148 after the date the notice is received by the claimant;

2149 (4) state that the claim will be barred if not received by the deadline; and

2150 (5) unless the ~~limited~~ partnership has been throughout its existence a limited

2151 liability limited partnership, state that the barring of a claim against the ~~limited~~ partnership will

2152 also bar any corresponding claim against any general partner or person dissociated as a general

2153 partner which is based on Section 404.

2154 (c) A claim against a dissolved limited partnership is barred if the requirements of
2155 subsection (b) are met and:

2156 (1) the claim is not received by the specified deadline; or

2157 (2) ~~in the case of a~~ if the claim ~~that~~ is timely received but rejected by the

2158 ~~dissolved limited~~ partnership:

2159 (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 ~~it's 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~~

2297 dissolution. The petition must be served on the [Secretary of State] and contain a copy of the
2298 [Secretary of State's] declaration of dissolution, the limited partnership's application for
2299 reinstatement, and the [Secretary of State's] notice of denial.

2300 (c) ~~The court may summarily order the [Secretary of State] to reinstate the dissolved~~
2301 ~~limited partnership or may take other action the court considers appropriate.~~

2302 (b) A limited partnership may seek judicial review of denial of reinstatement in the
2303 [appropriate court] not later than [30] days after service of the notice of denial.

2304 **SECTION 812 ~~813~~. DISPOSITION OF ASSETS IN WINDING UP LIMITED**
2305 **PARTNERSHIP'S ACTIVITIES; WHEN CONTRIBUTIONS REQUIRED.**

2306 (a) In winding up ~~a limited partnership's~~ its activities, a limited partnership must apply
2307 its the assets ~~of the limited partnership~~, including the contributions required by this section, ~~must~~
2308 ~~be applied to satisfy the limited partnership's~~ to discharge its obligations to creditors, including;
2309 ~~to the extent permitted by law~~, partners that are creditors.

2310 (b) ~~Any surplus remaining after the~~ After a limited partnership complies with subsection
2311 (a), any surplus must be ~~paid in cash as a distribution~~ distributed in the following order, subject
2312 to any charging order in effect under Section 703:

2313 (1) to each person owning a transferable interest that reflects contributions made
2314 and not previously returned, an amount equal to the value of the unreturned contributions; and

2315 (2) among partners in proportion to their respective rights to share in distributions
2316 immediately before the dissolution of the partnership, except to the extent necessary to comply
2317 with any transfer effective under Section 502.

2318 (c) If a limited partnership's assets are insufficient to satisfy all of its obligations under
2319 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 (e) 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~~

2466 fees, shall file the application, prepare, sign and file a certificate of authority to transact business
2467 in this State, and send a copy of the filed certificate, together with a receipt for the fees, to the
2468 foreign limited partnership or its representative.

2469 **SECTION ~~905~~ 906. NONCOMPLYING NAME OF FOREIGN LIMITED**
2470 **PARTNERSHIP.**

2471 (a) A foreign limited partnership whose name does not comply with Section 108 may not
2472 ~~obtain a certificate of authority~~ register to do business in this state until it adopts, for the purpose
2473 of ~~transacting~~ doing business in this State, an alternate name that complies with Section 108. A
2474 foreign limited partnership that ~~adopts~~ registers under an alternate name under this subsection
2475 ~~and then obtains a certificate of authority with the name~~ need not comply with [the state's
2476 fictitious name statute]. After ~~obtaining a certificate of authority~~ registering to do business in
2477 this state with an alternate name, a foreign limited partnership ~~shall transact~~ may do business in
2478 this State under:

2479 (1) the alternate name;

2480 (2) the name in the jurisdiction under whose law the limited partnership is formed,
2481 with that jurisdiction clearly identified; or

2482 (3) ~~unless an assumed or fictitious name~~ the foreign limited partnership is
2483 authorized to use under [the state's fictitious name statute] ~~to transact business in this State under~~
2484 ~~another name.~~

2485 (b) If a foreign limited partnership authorized registered to transact do business in this
2486 State changes its name to one that does not comply with Section 108, it may not ~~thereafter~~
2487 ~~transact~~ do business in this State until it complies with subsection (a) ~~and obtains an amended~~
2488 ~~certificate of authority~~ by amending its registration to adopt an alternate name that complies with

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.

2580 **~~SECTION 907. CANCELLATION OF CERTIFICATE OF AUTHORITY;~~**

2581 **~~EFFECT OF FAILURE TO HAVE CERTIFICATE.~~**

2582 ~~(a) In order to cancel its certificate of authority to transact business in this State, a~~
2583 ~~foreign limited partnership must deliver to the [Secretary of State] for filing a notice of~~
2584 ~~cancellation. The certificate is canceled when the notice becomes effective under Section 206.~~

2585 ~~(b) A foreign limited partnership transacting business in this State may not maintain an~~
2586 ~~action or proceeding in this State unless it has a certificate of authority to transact business in this~~
2587 ~~State.~~

2588 ~~(c) The failure of a foreign limited partnership to have a certificate of authority to~~
2589 ~~transact business in this State does not impair the validity of a contract or act of the foreign~~
2590 ~~limited partnership or prevent the foreign limited partnership from defending an action or~~
2591 ~~proceeding in this State.~~

2592 ~~(d) A partner of a foreign limited partnership is not liable for the obligations of the~~
2593 ~~foreign limited partnership solely by reason of the foreign limited partnership's having transacted~~
2594 ~~business in this State without a certificate of authority.~~

2595 ~~(e) If a foreign limited partnership transacts business in this State without a certificate of~~
2596 ~~authority or cancels its certificate of authority, it appoints the [Secretary of State] as its agent for~~
2597 ~~service of process for rights of action arising out of the transaction of business in this State.~~

2598 **SECTION 911. WITHDRAWAL OF REGISTRATION OF REGISTERED**

2599 **FOREIGN LIMITED PARTNERSHIP.**

2600 (a) A registered foreign limited partnership may withdraw its registration by delivering a
2601 statement of withdrawal to the [Secretary of State] for filing. The statement of withdrawal must
2602 state:

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

2642 (2) whose status as a partner devolved upon the person by operation of law or pursuant to
2643 the terms of the partnership agreement from a person that was a partner at the time of the
2644 conduct.

2645 **SECTION 1004. PLEADING.** In a derivative action, the complaint must state with
2646 particularity:

2647 (1) the date and content of plaintiff's demand and the general partners' response to the
2648 demand; or

2649 (2) why demand should be excused as futile.

2650 **SECTION 1005. SPECIAL LITIGATION COMMITTEE.**

2651 (a) If a limited partnership is named as or made a party in a derivative proceeding, the
2652 partnership may appoint a special litigation committee to investigate the claims asserted in the
2653 proceeding and determine whether pursuing the action is in the best interests of the partnership.
2654 If the partnership appoints a special litigation committee, on motion by the committee made in
2655 the name of the partnership, except for good cause shown, the court shall stay discovery for the
2656 time reasonably necessary to permit the committee to make its investigation. This subsection
2657 does not prevent the court from enforcing a person's right to information under Section 304 or
2658 407 or, for good cause shown, granting extraordinary relief in the form of a temporary
2659 restraining order or preliminary injunction.

2660 (b) A special litigation committee may be composed of one or more disinterested and
2661 independent individuals, who may be partners.

2662 (c) A special litigation committee may be appointed:

2663 (1) by a majority of the general partners not named as defendants or plaintiffs in
2664 the proceeding; and

2665 (2) if all general partners are named as defendants or plaintiffs in the proceeding,
2666 by a majority of the general partners named as defendants.

2667 (d) After appropriate investigation, a special litigation committee may determine that it is
2668 in the best interests of the limited partnership that the proceeding:

2669 (1) continue under the control of the plaintiff;

2670 (2) continue under the control of the committee;

2671 (3) be settled on terms approved by the committee; or

2672 (4) be dismissed.

2673 (e) After making a determination under subsection (d), a special litigation committee
2674 shall file with the court a statement of its determination and its report supporting its
2675 determination and shall serve each party with a copy of the determination and report. The court
2676 shall determine whether the members of the committee were disinterested and independent and
2677 whether the committee conducted its investigation and made its recommendation in good faith,
2678 independently, and with reasonable care, with the committee having the burden of proof. If the
2679 court finds that the members of the committee were disinterested and independent and that the
2680 committee acted in good faith, independently, and with reasonable care, the court shall enforce
2681 the determination of the committee. Otherwise, the court shall dissolve the stay of discovery
2682 entered under subsection (a) and allow the action to proceed under the direction of the plaintiff.

2683 **SECTION ~~1005~~ 1006. PROCEEDS AND EXPENSES.**

2684 (a) Except as otherwise provided in subsection (b):

2685 (1) any proceeds or other benefits of a derivative action, whether by judgment,
2686 compromise, or settlement, belong to the limited partnership and not to the ~~derivative~~ plaintiff;

2687 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 (e) 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(e) 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:

- 2832 (1) ~~the name and form of each constituent organization;~~
- 2833 (2) ~~the name and form of the surviving organization and, if the surviving~~
2834 ~~organization is to be created by the merger, a statement to that effect;~~
- 2835 (3) ~~the terms and conditions of the merger, including the manner and basis for~~
2836 ~~converting the interests in each constituent organization into any combination of money, interests~~
2837 ~~in the surviving organization, and other consideration;~~
- 2838 (4) ~~if the surviving organization is to be created by the merger, the surviving~~
2839 ~~organization's organizational documents; and~~
- 2840 (5) ~~if the surviving organization is not to be created by the merger, any~~
2841 ~~amendments to be made by the merger to the surviving organization's organizational documents.~~

2842 **~~SECTION 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT~~**
2843 **~~LIMITED PARTNERSHIP.~~**

2844 (a) ~~Subject to Section 1110, a plan of merger must be consented to by all the partners of~~
2845 ~~a constituent limited partnership.~~

2846 (b) ~~Subject to Section 1110 and any contractual rights, after a merger is approved, and at~~
2847 ~~any time before a filing is made under Section 1108, a constituent limited partnership may~~
2848 ~~amend the plan or abandon the planned merger:~~

2849 (1) ~~as provided in the plan; and~~

2850 (2) ~~except as prohibited by the plan, with the same consent as was required to~~
2851 ~~approve the plan.~~

2852 **~~SECTION 1108. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE.~~**

2853 (a) ~~After each constituent organization has approved a merger, articles of merger must be~~
2854 ~~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).~~

2923 **~~SECTION 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND~~**
2924 **~~MERGERS AND ON RELINQUISHING LLLP STATUS.~~**

2925 ~~(a) If a partner of a converting or constituent limited partnership will have personal~~
2926 ~~liability with respect to a converted or surviving organization, approval and amendment of a plan~~
2927 ~~of conversion or merger are ineffective without the consent of the partner, unless:~~

2928 ~~(1) the limited partnership's partnership agreement provides for the approval of~~
2929 ~~the conversion or merger with the consent of fewer than all the partners; and~~

2930 ~~(2) the partner has consented to the provision of the partnership agreement.~~

2931 ~~(b) An amendment to a certificate of limited partnership which deletes a statement that~~
2932 ~~the limited partnership is a limited liability limited partnership is ineffective without the consent~~
2933 ~~of each general partner unless:~~

2934 ~~(1) the limited partnership's partnership agreement provides for the amendment~~
2935 ~~with the consent of less than all the general partners; and~~

2936 ~~(2) each general partner that does not consent to the amendment has consented to~~
2937 ~~the provision of the partnership agreement.~~

2938 ~~(c) A partner does not give the consent required by subsection (a) or (b) merely by~~
2939 ~~consenting to a provision of the partnership agreement which permits the partnership agreement~~
2940 ~~to be amended with the consent of fewer than all the partners.~~

2941 **~~SECTION 1111. LIABILITY OF GENERAL PARTNER AFTER CONVERSION~~**
2942 **~~OR MERGER.~~**

2943 ~~(a) A conversion or merger under this [article] does not discharge any liability under~~
2944 ~~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.~~

3011 ~~(c) If a person having knowledge of the conversion or merger causes a converted or~~
3012 ~~surviving organization to incur an obligation under subsection (a) or (b), the person is liable:~~

3013 ~~(1) to the converted or surviving organization for any damage caused to the~~
3014 ~~organization arising from the obligation; and~~

3015 ~~(2) if another person is liable for the obligation, to that other person for any~~
3016 ~~damage caused to that other person arising from the liability.~~

3017 ~~**SECTION 1113. [ARTICLE] NOT EXCLUSIVE.** This [article] does not preclude an~~
3018 ~~entity from being converted or merged under other law.~~

3019 **[PART] 1**

3020 **GENERAL PROVISIONS**

3021 **SECTION 1101. DEFINITIONS.** In this [article]:

3022 (1) “Acquired entity” means the entity, all of one or more classes or series of interests in
3023 which are acquired in an interest exchange.

3024 (2) “Acquiring entity” means the entity that acquires all of one or more classes or series
3025 of interests of the acquired entity in an interest exchange.

3026 (3) “Conversion” means a transaction authorized by [part] 4.

3027 (4) “Converted entity” means the converting entity as it continues in existence after a
3028 conversion.

3029 (5) “Converting entity” means the domestic entity that approves a plan of conversion
3030 pursuant to Section 1143 or the foreign entity that approves a conversion pursuant to the law of
3031 its jurisdiction of formation.

3032 (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]:

3253 (1) one or more domestic limited partnerships may merge with one or more
3254 domestic or foreign entities into a domestic or foreign surviving entity; and

3255 (2) two or more foreign entities may merge into a domestic limited partnership.

3256 (b) By complying with the provisions of this [part] applicable to foreign entities a
3257 foreign entity may be a party to a merger under this [part] or may be the surviving entity in such
3258 a merger if the merger is authorized by the law of the foreign entity's jurisdiction of formation.

3259 **Reporters' Note**

3260 Patterned after harmonized META § 201(a), (b), and (d).

3261 **SECTION 1122. PLAN OF MERGER.**

3262 (a) A domestic limited partnership may become a party to a merger under this [part] by
3263 approving a plan of merger. The plan must be in a record and contain:

3264 (1) as to each merging entity, its name, jurisdiction of formation, and type;

3265 (2) if the surviving entity is to be created in the merger, a statement to that effect
3266 and its name, jurisdiction of formation, and type;

3267 (3) the manner of converting the interests in each party to the merger into
3268 interests, securities, obligations, rights to acquire interests or securities, cash, or other property,
3269 or any combination of the foregoing;

3270 (4) if the surviving entity exists before the merger, any proposed amendments to
3271 its public organic record or to its private organic rules that are, or are proposed to be, in a record;

3272 (5) if the surviving entity is to be created in the merger, its proposed public
3273 organic record, if any, and the full text of its private organic rules that are proposed to be in a
3274 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:

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

3364 of the requirements of subsection (b) may be delivered to the [Secretary of State] for filing
3365 instead of a statement of merger and upon filing has the same effect. If a plan of merger is filed
3366 as provided in this subsection, references in this [article] to a statement of merger refer to the
3367 plan of merger filed under this subsection.

3368 **Reporters' Note**

3369 Patterned after harmonized META § 205.

3370 **SECTION 1126. EFFECT OF MERGER.**

3371 (a) When a merger becomes effective:

3372 (1) the surviving entity continues or comes into existence;

3373 (2) each merging entity that is not the surviving entity ceases to exist;

3374 (3) all property of each merging entity vests in the surviving entity without
3375 transfer, reversion, or impairment;

3376 (4) all debts, obligations and other liabilities of each merging entity are debts,
3377 obligations and other liabilities of the surviving entity;

3378 (5) except as otherwise provided by law or the plan of merger, all of the rights,
3379 privileges, immunities, powers, and purposes of each merging entity vest in the surviving entity;

3380 (6) if the surviving entity exists before the merger:

3381 (A) all of its property continues to be vested in it without transfer,
3382 reversion or impairment;

3383 (B) it remains subject to all of its debts, obligations and other liabilities;

3384 and

3385 (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

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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.

3456 (a) A domestic limited partnership may be the acquired entity in an interest exchange
3457 under this [part] by approving a plan of interest exchange. The plan must be in a record and
3458 contain:

3459 (1) the name of the acquired entity;

3460 (2) the name, jurisdiction of formation, and type of the acquiring entity;

3461 (3) the manner of converting the interests in the acquired entity into interests,
3462 securities, obligations, rights to acquire interests or securities, cash, or other property, or any
3463 combination of the foregoing;

3464 (4) any proposed amendments to the certificate of limited partnership or
3465 partnership agreement that are, or are proposed to be, in a record of the acquired entity;

3466 (5) the other terms and conditions of the interest exchange; and

3467 (6) any other provision required by the law of this state or the partnership
3468 agreement of the acquired entity.

3469 (b) A plan of interest exchange may contain any other provision not prohibited by law.

3470 **Reporters' Note**

3471 Patterned after harmonized META § 302.

3472 **SECTION 1133. APPROVAL OF INTEREST EXCHANGE.**

3473 (a) A plan of interest exchange is not effective unless it has been approved:

3474 (1) by all of the interest holders of a domestic acquired limited partnership

3475 entitled to vote on or consent to any matter; and

3476 (2) in a record, by each partner of the domestic acquired limited partnership that

3477 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.

3545 (c) In addition to the requirements of subsection (b), a statement of interest exchange
3546 may contain any other provision not prohibited by law.

3547 (d) A plan of interest exchange that is signed by a domestic acquired limited partnership
3548 and meets all of the requirements of subsection (b) may be delivered to the [Secretary of State]
3549 for filing instead of a statement of interest exchange and upon filing has the same effect. If a
3550 plan of interest exchange is filed as provided in this subsection, references in this [article] to a
3551 statement of interest exchange refer to the plan of interest exchange filed under this subsection.

3552 **Reporters' Note**

3553 Patterned after harmonized META § 305(a) – (d).

3554 **SECTION 1136. EFFECT OF INTEREST EXCHANGE.**

3555 (a) When an interest exchange in which the acquired entity is a domestic limited
3556 partnership becomes effective:

3557 (1) the interests in the domestic acquired limited partnership that are the subject
3558 of the interest exchange cease to exist or are converted or exchanged, and the partners holding
3559 those interests are entitled only to the rights provided to them under the plan of interest exchange
3560 and to any appraisal rights they have under Section 1108;

3561 (2) the acquiring entity becomes the holder of the interests in the acquired entity
3562 stated in the plan of interest exchange to be acquired by the acquiring entity;

3563 (3) the certificate of limited partnership of the acquired entity is amended as
3564 provided in the statement of interest exchange; and

3565 (4) the provisions of the partnership agreement of the acquired entity that are to
3566 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

3698 satisfy the requirements of the law of this state, except that it does not need to be signed and may
3699 omit any provision that is not required to be included in a restatement of the public organic
3700 record.

3701 (e) A plan of conversion that is signed by a domestic converting entity and meets all of
3702 the requirements of subsection (b) may be delivered to the [Secretary of State] for filing instead
3703 of a statement of conversion and upon filing has the same effect. If a plan of conversion is filed
3704 as provided in this subsection, references in this [article] to a statement of conversion refer to the
3705 plan of conversion filed under this subsection.

3706 **Reporters' Note**

3707 Patterned after harmonized META § 405(a) – (e).

3708 **SECTION 1146. EFFECT OF CONVERSION.**

3709 (a) When a conversion in which the converted entity is a domestic limited partnership
3710 becomes effective:

3711 (1) the converted entity is:

3712 (A) organized under and subject to this [act]; and

3713 (B) the same entity without interruption as the converting entity;

3714 (2) all property of the converting entity continues to be vested in the converted
3715 entity without transfer, reversion, or impairment;

3716 (3) all debts, obligations and liabilities of the converting entity continue as debts,
3717 obligations and liabilities of the converted entity;

3718 (4) except as otherwise provided by law or the plan of conversion, all of the
3719 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

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limited partnership if the domestication is authorized by the law of the foreign jurisdiction.

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(b) By complying with the provisions of this [part] applicable to foreign limited

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partnerships a foreign limited partnership may become a domestic limited partnership if the

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domestication is authorized by the law of the foreign limited partnership's jurisdiction of

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formation.

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(c) If a protected agreement contains a provision that applies to a merger of a domestic

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limited partnership but does not refer to a domestication, the provision applies to a domestication

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of the limited partnership as if the domestication were a merger until the provision is amended

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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

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domestication by approving a plan of domestication. The plan must be in a record and contain:

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(1) the name of the domesticating limited partnership;

3780

(2) the name and jurisdiction of formation of the domesticated limited

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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

3828 (C) any other terms or conditions of the plan, if the change would
3829 adversely affect the interest holder in any material respect.

3830 (b) After a plan of domestication has been approved by a domestic domesticating limited
3831 partnership and before a statement of domestication becomes effective, the plan may be
3832 abandoned:

3833 (1) as provided in the plan; or

3834 (2) unless prohibited by the plan, in the same manner as the plan was approved.

3835 (c) If a plan of domestication is abandoned after a statement of domestication has been
3836 delivered to the [Secretary of State] for filing and before the filing becomes effective, a statement
3837 of abandonment, signed by the limited partnership, must be delivered to the [Secretary of State]
3838 for filing before the time the statement of domestication becomes effective. The statement of
3839 abandonment takes effect upon filing, and the domestication is abandoned and does not become
3840 effective. The statement of abandonment must contain:

3841 (1) the name of the domesticating limited partnership;

3842 (2) the date on which the statement of domestication was delivered to the
3843 [Secretary of State] for filing; and

3844 (3) a statement that the domestication has been abandoned in accordance with
3845 this section.

3846 **Reporters' Note**

3847 Patterned after harmonized META § 504.

3848 **SECTION 1155. STATEMENT OF DOMESTICATION.**

3849 (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

3872 same effect. If a plan of domestication is filed as provided in this subsection, references in this
3873 [article] to a statement of domestication refer to the plan of domestication filed under this
3874 subsection.

3875 **Reporters' Note**

3876 Patterned after harmonized META § 505(a) – (e).

3877 **SECTION 1156. EFFECT OF DOMESTICATION.**

3878 (a) When a domestication becomes effective:

3879 (1) the domesticated limited partnership is:

3880 (A) organized under and subject to the organic law of the domesticated
3881 limited partnership; and

3882 (B) the same entity without interruption as the domesticating limited
3883 partnership;

3884 (2) all property of the domesticating limited partnership continues to be vested in
3885 the domesticated entity without transfer, reversion, or impairment;

3886 (3) all debts, obligations, and liabilities of the domesticating limited partnership
3887 continue as debts, obligations, and liabilities of the domesticated limited partnership;

3888 (4) except as otherwise provided by law or the plan of domestication, all of the
3889 rights, privileges, immunities, powers, and purposes of the domesticating limited partnership
3890 remain in the domesticated limited partnership;

3891 (5) the name of the domesticated limited partnership may be substituted for the
3892 name of the domesticating limited partnership in any pending action or proceeding;

3893 (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

3916 debts, obligations, and liabilities that arise after the domestication becomes effective;
3917 (3) a person has whatever rights of contribution from any other person as are
3918 provided by other law or the partnership agreement of a domestic domesticating limited
3919 partnership with respect to any interest holder liability preserved under paragraph (1) as if the
3920 domestication had not occurred.

3921 (e) When a domestication becomes effective, a foreign limited partnership that is the
3922 domesticated limited partnership:

3923 (1) may be served with process in this state for the collection and enforcement of
3924 any of its debts, obligations, and liabilities; and

3925 (2) appoints the [Secretary of State] as its agent for service of process for
3926 collecting or enforcing those debts, obligations and liabilities.

3927 (f) If the domesticating limited partnership is a registered foreign limited partnership, the
3928 registration of the limited partnership is canceled when the domestication becomes effective.

3929 (g) A domestication does not require the limited partnership to wind up its affairs and
3930 does not constitute or cause the dissolution of the limited partnership.

3931 **Reporters' Note**

3932 Patterned after harmonized META § 506.

3933

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

3956 [right accrued before this \[act\] takes effect.](#)

3957 **SECTION 1205. REPEALS.** Effective [all-inclusive date], the following acts and
3958 parts of acts are repealed: [the State Limited Partnership Act as amended and in effect
3959 immediately before the effective date of this [Act]].

3960 **SECTION ~~1206~~ 1205. APPLICATION TO EXISTING RELATIONSHIPS.**

3961 (a) Before [all-inclusive date], this [act] governs only:

3962 (1) a limited partnership formed on or after [the effective date of this [act]]; and

3963 (2) except as otherwise provided in subsections (c) and (d), a limited partnership
3964 formed before [the effective date of this [act]] which elects, in the manner provided in its
3965 partnership agreement or by law for amending the partnership agreement, to be subject to this
3966 [act].

3967 (b) Except as otherwise provided in subsection (c), on and after [all-inclusive date] this
3968 [act] governs all limited partnerships.

3969 (c) With respect to a limited partnership formed before [the effective date of this [act]],
3970 the following rules apply except as the partners otherwise elect in the manner provided in the
3971 partnership agreement or by law for amending the partnership agreement:

3972 (1) Section 104(c) does not apply and the limited partnership has whatever
3973 duration it had under the law applicable immediately before [the effective date of this [Act]].

3974 (2) the limited partnership is not required to amend its certificate of limited
3975 partnership to comply with Section 201(a)(4).

3976 (3) Sections 601 and 602 do not apply and a limited partner has the same right and
3977 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 ...