

D R A F T

FOR APPROVAL

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

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

AMERICAN BAR ASSOCIATION

MEETING IN ITS ONE-HUNDRED-AND-TWENTIETH YEAR
VAIL, COLORADO
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**HARMONIZED UNIFORM LIMITED
PARTNERSHIP ACT**
(Amendments to Uniform Limited Partnership Act (2001))

WITHOUT PREFATORY NOTES OR COMMENTS, BUT WITH REPORTERS' NOTES

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Jointly By

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS
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May 31, 2011

DRAFTING COMMITTEE ON HARMONIZATION OF BUSINESS ENTITY ACTS

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

HARRY J. HAYNSWORTH, 2200 IDS Center, 80 S. 8th St., Minneapolis, MN 55402, *Chair*
WILLIAM H. CLARK, JR., One Logan Square, 18th and Cherry Sts., Philadelphia, PA 19103-6996, *Vice-Chair*

ANN E. CONAWAY, Widener University School of Law, 4601 Concord Pike, Wilmington, DE 19803

THOMAS E. GEU, University of South Dakota School of Law, 414 Clark St., Suite 214, Vermillion, SD 57069-2390

DALE G. HIGER, 1302 Warm Springs Ave., Boise, ID 83712

JAMES C. MCKAY, JR., Office of the Attorney General for the District of Columbia, 441 Fourth St. NW, 6th Floor S., Washington, DC 20001

MARILYN E. PHELAN, 306 Peninsula Ct., Granbury, TX 76048

WILLIAM J. QUINLAN, Two First National Plaza, 20 S. Clark St., Suite 2900, Chicago, IL 60603

KEVIN P. SUMIDA, 735 Bishop St., Suite 411, Honolulu, HI 96813

JUSTIN L. VIGDOR, 2400 Chase Sq., Rochester, NY 14604

DAVID S. WALKER, Drake University Law School, 2507 University Ave., Des Moines, IA 50311

CARTER G. BISHOP, Suffolk University Law School, 120 Tremont St., Boston, MA 02108-4977, *Co-Reporter*

DANIEL S. KLEINBERGER, William Mitchell College of Law, 875 Summit Ave., St. Paul, MN 55105, *Co-Reporter*

EX OFFICIO

ROBERT A. STEIN, University of Minnesota Law School, 229 19th Ave. S., Minneapolis, MN 55455, *President*

MARILYN E. PHELAN, 306 Peninsula Ct., Granbury, TX 76048, *Division Chair*

AMERICAN BAR ASSOCIATION ADVISOR

ROBERT R. KEATINGE, 555 17th St., Suite 3200, Denver, CO 80202-3979, *ABA Advisor*

WILLIAM J. CALLISON, 3200 Wells Fargo Center, 1700 Lincoln St., Denver, CO 80203, *ABA Section Advisor*

ALLAN G. DONN, Wells Fargo Center, 440 Monticello Ave., Suite 2200, Norfolk, VA 23510-2243, *ABA Section Advisor*

WILLIAM S. FORSBERG, 150 S. Fifth St., Suite 2300, Minneapolis, MN 55402-4238, *ABA Section Advisor*

BARRY B. NEKRITZ, 8000 Willis Tower, 233 S. Wacker Dr., Chicago, IL 60606, *ABA Section Advisor*

JAMES J. WHEATON, 222 Central Park Ave., Suite 2000, Virginia Beach, VA 23462, *ABA Section Advisor*

EXECUTIVE DIRECTOR

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

Copies of this Act may be obtained from:

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS
111 N. Wabash Ave., Suite 1010
Chicago, Illinois 60602
312/450-6600
www.uniformlaws.org

HARMONIZED UNIFORM LIMITED PARTNERSHIP ACT (2001)

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HARMONIZED UNIFORM LIMITED PARTNERSHIP ACT (2001)

1 INTRODUCTORY REPORTERS' NOTE

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

The Comments to the act have been omitted from this document to reduce its length. Following the approval of the changes in this document by the Conference, the Comments will be restored with appropriate changes.

The harmonization process has involved the revision of the following acts:

Business Organizations Act ("HUB")
Model Entity Transactions Act ("META")
Model Registered Agents Act
Uniform Partnership Act (1997)
Uniform Limited Partnership Act (2001)
Uniform Limited Liability Company Act (2006)
Uniform Statutory Trust Entity Act
Uniform Limited Cooperative Association Act
Uniform Unincorporated Nonprofit Association Act (2008)

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

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

2 **[ARTICLE] 1**

3 **GENERAL PROVISIONS**

4 **SECTION 101. SHORT TITLE.** This ~~[Act]~~ [act] may be cited as the Uniform Limited
5 Partnership Act [year of enactment].

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

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

9 (2) “Contribution”, except in the phrase “right of contribution,”, means ~~any~~ property or a
10 benefit described in Section 501 which is provided by a person to a limited partnership ~~in order~~
11 to become a partner or in the person’s capacity as a partner.

12 (3) “Debtor in bankruptcy” means a person that is the subject of:

13 (A) an order for relief under Title 11 of the United States Code or a comparable
14 order under a successor statute of general application; or

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

16 ~~(4) “Designated office” means:~~

17 ~~(A) with respect to a limited partnership, the office that the limited partnership is~~
18 ~~required to designate and maintain under Section 114; and~~

19 ~~(B) with respect to a foreign limited partnership, its principal office.~~

20 ~~(5)~~ (4) “Distribution” means a transfer of money or other property from a limited
21 partnership to a ~~partner in the partner’s capacity as a partner or to a transferee~~ person on
22 account of a transferable interest ~~owned by the transferee~~ or in the person’s capacity as a
23 partner. The term:

24 (A) includes:

1 (i) a redemption or other purchase by a limited partnership of a
2 transferable interest; and
3 (ii) a transfer to a partner in return for the partner's relinquishment of
4 any right to participate as a partner in the management or conduct of the partnership's activities
5 and affairs or to have access to records or other information concerning the partnership's
6 activities and affairs; and
7 (B) does not include amounts constituting reasonable compensation for present or
8 past service or payments made in the ordinary course of business under a bona fide retirement
9 plan or other bona fide benefits program.

10 ~~(6)~~ (5) "Foreign limited liability limited partnership" means a foreign limited partnership
11 whose general partners have limited liability for the debts, obligations, or other liabilities of the
12 foreign limited partnership under a provision similar to Section 404(c).

13 ~~(7)~~ (6) "Foreign limited partnership" means ~~a partnership~~ an unincorporated entity
14 formed under the ~~laws~~ law of a jurisdiction other than this ~~State~~ state ~~and required by those laws~~
15 ~~to have one or more general partners and one or more limited partners which would be a limited~~
16 partnership if formed under the law of this state. The term includes a foreign limited liability
17 limited partnership.

18 ~~(8)~~ (7) "General partner" means: ~~(A) with respect to a limited partnership,~~ a person that:
19 ~~(i) (A) becomes~~ has become a general partner under Section 401; or ~~(ii) was a~~
20 general partner in a ~~limited~~ partnership when the ~~limited~~ partnership became subject to this ~~[Act]~~
21 [act] under Section ~~1206(a) or (b)~~ 1206; and

22 (ii) (B) has not dissociated as a general partner under Section 603.
23 ~~(B) with respect to a foreign limited partnership, a person that has rights, powers,~~
24 ~~and obligations similar to those of a general partner in a limited partnership.~~

1 (8) “Jurisdiction”, used to refer to a political entity, means the United States, a state, a
2 foreign country, or a political subdivision of a foreign country.

3 (9) “Jurisdiction of formation” means, with respect to an entity, the jurisdiction:

4 (A) under whose law the entity is formed; or

5 (B) in the case of a limited liability partnership or foreign limited liability
6 partnership, in which the partnership’s statement of qualification is filed.

7 ~~(9)~~ (10) “Limited liability limited partnership”, except in the phrase “foreign limited
8 liability limited partnership”, means a limited partnership whose certificate of limited partnership
9 states that the ~~limited~~ partnership is a limited liability limited partnership.

10 ~~(10)~~ (11) “Limited partner” means: ~~(A) with respect to a limited partnership~~, a person
11 that:

12 ~~(i)-(A) becomes~~ has become a limited partner under Section 301; or ~~(ii)~~ was a
13 limited partner in a limited partnership when the ~~limited~~ partnership became subject to this [Act]
14 [act] under Section ~~1206(a) or (b)~~ 1206; and

15 (B) has not dissociated under Section 601.

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

18 ~~(11)~~ (12) “Limited partnership”, ~~except in the phrases “foreign limited partnership” and~~
19 ~~“foreign limited liability limited partnership”,~~ means an entity, ~~having one or more general~~
20 ~~partners and one or more limited partners, which is~~ formed under this [act] ~~by two or more~~
21 ~~persons~~ or which becomes subject to this [act] under [Article] 11 or Section ~~1206(a) or (b)~~ 1206.

22 The term includes a limited liability limited partnership.

23 ~~(12)~~ (13) “Partner” means a limited partner or general partner.

24 ~~(13)~~ (14) “Partnership agreement” means the ~~partners’~~ agreement, whether or not

1 referred to as a partnership agreement and whether oral, implied, in a record, or in any
2 combination thereof, of all the partners of a limited partnership concerning the ~~limited~~
3 ~~partnership~~ matters described in Section 111(a). The term includes the agreement as amended
4 or restated.

5 ~~(14)(15) “Person” means an individual, corporation, business trust, estate, trust,~~
6 ~~partnership, limited liability company, association, joint venture, government, governmental~~
7 ~~subdivision, agency, or instrumentality; public corporation, or any other legal or commercial~~
8 ~~entity.~~ “Person” means an individual, business corporation, nonprofit corporation, partnership,
9 limited partnership, limited liability company, [general cooperative association,] limited
10 cooperative association, unincorporated nonprofit association, statutory trust, business trust,
11 common-law business trust, estate, trust, association, joint venture, public corporation,
12 government or governmental subdivision, agency, or instrumentality, or any other legal or
13 commercial entity.

14 ~~(15) “PERSON DISSOCIATED AS A GENERAL PARTNER” MEANS A PERSON DISSOCIATED AS A~~
15 ~~GENERAL PARTNER OF A LIMITED PARTNERSHIP.~~

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

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

21 ~~(17)~~ (18) “Record”, used as a noun, means information that is inscribed on a tangible
22 medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

23 (19) “Registered agent” means an agent of a limited partnership or foreign limited
24 partnership which is authorized to receive service of any process, notice, or demand required or

1 permitted by law to be served on the partnership.

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

5 ~~(18)~~ (21) “Required information” means the information that a limited partnership is
6 required to maintain under Section ~~444~~ 114.

7 ~~(19)~~ (22) “Sign” means, with present intent to authenticate or adopt a record:

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

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

12 ~~(20)~~ (23) “State” means a ~~State~~ state of the United States, the District of Columbia,
13 Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the
14 jurisdiction of the United States.

15 ~~(23)~~ (24) “Transfer” includes:

16 (A) an assignment;:

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

18 (C) a sale;:

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

20 (E) an encumbrance, including a mortgage or security interest;

21 (F) a gift;: and

22 (G) ~~and~~ a transfer by operation of law.

23 ~~(24)~~ (25) “Transferable interest” means ~~a partner’s right to receive distributions~~ the
24 right, as initially owned by a person in the person’s capacity as a partner, to receive

distributions from a limited partnership in accordance with the partnership agreement, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.

~~(25)~~ (26) “Transferee” means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner. The term includes a person that owns a transferable interest under Section 602(a)(3) or 605(a)(5).

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

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

(1) has actual knowledge of it; or

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

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

~~(1) knows of it;~~

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

~~(3)~~ has reason to know ~~it exists~~ the fact from all of the facts known to the person at the time in question; or

~~(4) (2) has~~ is deemed to have notice of ~~it~~ the fact under subsection (c) or (d).

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

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

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

1 other person, whichever occurs first;

2 (2) a limited partnership's:

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

6 ~~(3) a limited partnership's~~ (B) termination, 90 days after the effective date of a
7 statement of termination under Section 802(b)(2)(F) becomes effective; and

8 (C) participation in a merger, interest exchange, conversion, or
9 domestication 90 days after articles of merger, interest exchange, conversion, or domestication
10 under [Article] 11 become effective.

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

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

15 (e) A Subject to Section 209(f), a person notifies ~~or gives a notification to~~ another person
16 of a fact by taking steps reasonably required to inform the other person in ordinary course,
17 whether or not those steps cause the other person ~~learns of it to know the fact.~~

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

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

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

22 ~~(g) Except as otherwise provided in subsection (h), a person other than an individual~~
23 ~~knows, has notice, or receives a notification of a fact for purposes of a particular transaction~~
24 ~~when the individual conducting the transaction for the person knows, has notice, or receives a~~

~~notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.~~

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

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

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

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

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

SECTION 105. POWERS. A limited partnership has the ~~powers~~ capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its

activities and affairs, ~~including the power to sue, be sued, and defend in its own name and to maintain an action against a partner for harm caused to the limited partnership by a breach of the partnership agreement or violation of a duty to the partnership.~~

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

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

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

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

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

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

SECTION 108. ~~NAME~~ PERMITTED NAMES.

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

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

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

1 ~~(d) Unless authorized by subsection (e), the name of a limited partnership must be~~
2 ~~distinguishable in the records of the [Secretary of State] from:~~

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

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

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

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

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

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

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

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

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

23 (d) Except as otherwise provided in subsection (g), the name of a limited partnership, and
24 the name under which a foreign limited partnership may register to do business in this state, must

1 be distinguishable on the records of the [Secretary of State] from:

2 (1) the name of an existing person whose formation required the filing of a record
3 by the [Secretary of State];

4 (2) the name of a limited liability partnership;

5 (3) the name of a person that is registered to do business in this state by the filing
6 of a record by the [Secretary of State];

7 (4) each name reserved under Section 109 or other law of this state providing for
8 the reservation of a name by the filing of a record by the [Secretary of State];

9 (5) each name registered under Section 110 or other law of this state providing for
10 the registration of a name by the filing of a record by the [Secretary of State]; or

11 (6) an assumed name registered under [this state's assumed or fictitious name
12 statute].

13 (e) If a person consents in a record to the use of its name and submits an undertaking in a
14 form satisfactory to the [Secretary of State] to change its name to a name that is distinguishable
15 on the records of the [Secretary of State] from any name in any category of names in subsection
16 (d), the name of the consenting entity may be used by the person to which the consent was given.

17 (f) Except as otherwise provided in subsection (g), in determining whether a name is the
18 same as or not distinguishable on the records of the [Secretary of State] from the name of another
19 entity, words, phrases, or abbreviations indicating the type of person, such as "corporation",
20 "corp.", "incorporated", "Inc.", "professional corporation", "PC", "professional association",
21 "PA", "Limited", "Ltd.", "limited partnership", "LP", "limited liability partnership", "LLP",
22 "registered limited liability partnership", "RLLP", "limited liability limited partnership",
23 "LLLLP", "registered limited liability limited partnership", "RLLLLP", "limited liability
24 company", or "LLC", may not be taken into account.

1 (g) A person may consent in a record to the use of a name that is not distinguishable on
2 the records of the [Secretary of State] from its name except for the addition of a word, phrase, or
3 abbreviation indicating the type of person as provided in subsection (f). In such a case, the
4 person need not change its name pursuant to subsection (e).

5 (h) The name of a limited partnership or foreign limited partnership may not contain the
6 words [insert prohibited words or words that may be used only with approval by the appropriate
7 state agency].

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

11 **SECTION 109. RESERVATION OF NAME.**

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

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

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

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

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

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

23 ~~(6) a foreign limited partnership formed under a name that does not comply with~~
24 ~~Section 108(b) or (c), but the name reserved under this paragraph may differ from the foreign~~

1 ~~limited partnership's name only to the extent necessary to comply with Section 108(b) and (c).~~

2 ~~(b) A person may apply to reserve a name under subsection (a) by delivering to the~~
3 ~~[Secretary of State] for filing an application that states the name to be reserved and the paragraph~~
4 ~~of subsection (a) which applies. If the [Secretary of State] finds that the name is available for~~
5 ~~use by the applicant, the [Secretary of State] shall file a statement of name reservation and~~
6 ~~thereby reserve the name for the exclusive use of the applicant for 120 days.~~

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

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

16 (a) A person may reserve the exclusive use of a name that complies with Section 108 by
17 delivering an application to the [Secretary of State] for filing. The application must state the
18 name and address of the applicant and the name to be reserved. If the [Secretary of State] finds
19 that the name is available, the [Secretary of State] shall reserve the name for the applicant's
20 exclusive use for [120] days.

21 (b) The owner of a reserved name may transfer the reservation to another person that is
22 not an individual by delivering to the [Secretary of State] a signed notice in a record of the
23 transfer which states the name and address of the transferee.

1 **SECTION 110. REGISTRATION OF NAME.**

2 (a) A foreign limited partnership not registered to do business in this state under [Article]
3 9 may register its name, or an alternate name adopted pursuant to Section 906, if the name is
4 distinguishable on the records of the [Secretary of State] from the names that are not available
5 under Section 108.

6 (b) To register its name or an alternate name adopted pursuant to Section 906, a foreign
7 limited partnership must deliver to the [Secretary of State] for filing an application stating the
8 partnership's name, the jurisdiction and date of its formation, and any alternate name adopted
9 pursuant to Section 906. If the [Secretary of State] finds that the name applied for is available,
10 the [Secretary of State] shall register the name for the applicant's exclusive use.

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

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

18 (e) A foreign limited partnership whose name registration is effective may register as a
19 foreign limited partnership under the registered name or consent in a signed record to the use of
20 that name by another person that is not an individual.

21 **SECTION ~~110~~ 111. ~~EFFECT OF~~ PARTNERSHIP AGREEMENT;**
22 **~~NONWAIVABLE PROVISIONS~~ SCOPE, FUNCTION, AND LIMITATIONS.**

23 (a) Except as otherwise provided in ~~subsection~~ subsections ~~(b) (c) and (d)~~, the partnership
24 agreement governs;

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

3 (2) ~~the~~ activities and affairs of the partnership and the conduct of those activities
4 and affairs; and

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

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

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

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

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

13 (3) vary any requirement, procedure, or other provision of this [act] pertaining
14 to:

15 (A) registered agents; or

16 (B) the [Secretary of State], including provisions pertaining to records
17 authorized or required to be delivered to the [Secretary of State] for filing under this [act];

18 ~~(3)~~ (4) vary the ~~requirements~~ provisions of Section 204;

19 ~~(4)~~ (5) vary the right of a general partner under 406(b)(2) to consent to an
20 amendment to the certificate of limited partnership which deletes a statement that the limited
21 partnership is a limited liability limited partnership;

22 ~~(5)~~ (6) eliminate the duty of care or the duty of loyalty;

23 ~~(6)~~ (7) eliminate the contractual obligation of good faith and fair dealing under
24 Sections 305(a) and 409(d), but the partnership agreement may prescribe the standards, if not

1 manifestly unreasonable, by which the performance of the obligation is to be measured;

2 (8) relieve or exonerate a person from liability for conduct involving bad faith,
3 willful misconduct, or recklessness;

4 ~~(8)~~ (9) vary the information required under Section 111 or unreasonably restrict
5 the ~~right to information~~ duties and rights under ~~Sections~~ Section 304 or 407, but the partnership
6 agreement may impose reasonable restrictions on the availability and use of information obtained
7 under those sections and may define appropriate remedies, including liquidated damages, for a
8 breach of any reasonable restriction on use;

9 ~~(5) eliminate the duty of loyalty under Section 408, but the partnership agreement~~
10 ~~may;~~

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

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

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

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

21 ~~(8)~~ (10) vary the power of a person to dissociate as a general partner under
22 Section 604(a) except to require that the notice under Section 603(1) be in a record;

23 ~~(9)~~ (11) vary the ~~power of a court to decree~~ causes of dissolution ~~in the~~
24 ~~circumstances~~ specified in Section 802 801(a)(6);

(10) ~~(12)~~ vary the requirement to wind up the partnership's ~~business activities and~~
~~affairs~~ as specified in Section 803 ~~802(a), 802(b)(1), and 802(d);~~

~~(11)~~ ~~(13)~~ unreasonably restrict the right ~~of a partner~~ to maintain an action under
[Article] 10;

~~(14)~~ vary the provisions of Section 1005, but the partnership agreement may
provide that the partnership may not have a special litigation committee;

~~(12)~~ ~~(15)~~ ~~restrict the right~~ vary the right of a partner to approve a merger, interest
exchange, conversion, or domestication under Section ~~1110(a) to approve a conversion or merger~~
Section 1123(a)(2), 1133(a)(2), 1043(a)(2), or 1053(a)(2); or

~~(13)~~ ~~(16)~~ except as otherwise provided in Sections 112 and 113(b), restrict the
rights under this ~~Act~~ ~~[act]~~ of a person other than a partner ~~or a transferee~~.

~~(d)~~ Subject to subsection (c), without limiting other terms that may be included in a
partnership agreement the following rules apply:

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

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

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

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

~~(C)~~ alter the duty of care, but may not authorize intentional misconduct or
knowing violation of law; and

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

1 (e) The court shall decide as a matter of law any claim under subsection (c)(6) or (d)(2)
2 that a term of a partnership agreement is manifestly unreasonable. The court:

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

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

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

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

10 **SECTION 112. PARTNERSHIP AGREEMENT; EFFECT ON LIMITED**
11 **PARTNERSHIP AND PERSON BECOMING PARTNER; PREFORMATION**
12 **AGREEMENT.**

13 (a) A limited partnership is bound by and may enforce the partnership agreement,
14 whether or not the partnership has itself manifested assent to the partnership agreement.

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

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

20 **SECTION 113. PARTNERSHIP AGREEMENT; EFFECT ON THIRD PARTIES**
21 **AND RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF LIMITED**
22 **PARTNERSHIP.**

23 (a) A partnership agreement may specify that its amendment requires the approval of a
24 person that is not a party to the agreement or the satisfaction of a condition. An amendment is

1 ineffective if its adoption does not include the required approval or satisfy the specified
2 condition.

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

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

11 (2) is not effective to the extent the amendment imposes a new debt, obligation, or
12 other liability on the transferee or person dissociated as a partner.

13 (c) If a record delivered by a limited partnership to the [Secretary of State] for filing
14 becomes effective and contains a provision that would be ineffective under Section 111(c) or
15 (d)(2) if contained in the partnership agreement, the provision is ineffective in the record.

16 (d) Subject to subsection (c), if a record delivered by a limited partnership to the
17 [Secretary of State] for filing becomes effective conflicts with a provision of the partnership
18 agreement:

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

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

23 **SECTION ~~11~~ 114. REQUIRED INFORMATION.** A limited partnership shall
24 maintain at its ~~designated~~ principal office the following information:

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

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

(3) a copy of any filed articles of ~~conversion or~~ merger interest exchange, conversion, or domestication;

(4) a copy of the ~~limited~~ partnership's federal, state, and local income tax returns and reports, if any, for the three most recent years;

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

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

(7) a copy of the three most recent [annual] [biennial] reports delivered by the ~~limited~~ partnership to the [Secretary of State] pursuant to Section ~~210~~ 212;

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

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

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

(B) the times at which, or events on the happening of which, any additional

1 contributions agreed to be made by each partner are to be made;

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

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

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

10 **SECTION ~~113~~ 115. DUAL CAPACITY.** A person may be both a general partner and
11 a limited partner. A person that is both a general and limited partner has the rights, powers,
12 duties, and obligations provided by this [Act] [act] and the partnership agreement in each of
13 those capacities. When the person acts as a general partner, the person is subject to the
14 obligations, duties, and restrictions under this [Act] [act] and the partnership agreement for
15 general partners. When the person acts as a limited partner, the person is subject to the
16 obligations, duties, and restrictions under this [Act] [act] and the partnership agreement for
17 limited partners.

18 **~~SECTION 114~~ 116. OFFICE AND REGISTERED AGENT FOR SERVICE OF**
19 **~~PROCESS.~~**

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

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

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

24 (b) ~~A foreign limited partnership shall designate and continuously maintain in this State~~

1 ~~an agent for service of process.~~ The designation of a registered agent is an affirmation of fact by
2 the limited partnership or registered foreign limited partnership that the agent has consented to
3 serve.

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

7 (c) The only duties under this [act] of a registered agent that has complied with this [act]
8 are:

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

12 (2) if the registered agent resigns, to provide the notice required by Section 118(c)
13 to the partnership at the address most recently supplied to the agent by the partnership; and

14 (3) to keep current the information with respect to the agent in the certificate of
15 limited partnership.

16 **SECTION 115 117. CHANGE OF DESIGNATED OFFICE OR REGISTERED**
17 **AGENT FOR SERVICE OF PROCESS OR ADDRESS FOR REGISTERED AGENT.**

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

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

24 (2) the street and mailing address of its current designated office; the information

1 that is to be in effect as a result of the filing of the statement of change.

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

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

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

8 (b) The general or limited partners need not approve the filing of:

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

10 (2) a similar filing changing the registered agent or registered office, if any, of the
11 limited partnership in any other jurisdiction.

12 (c) A statement of change under this section designating a new registered agent is an
13 affirmation of fact by the limited partnership or registered foreign limited partnership that the
14 agent has consented to serve.

15 ~~(b) (d) Subject to Section 206(c), a statement of change is effective when filed by the~~
16 ~~[Secretary of State].~~ As an alternative to using the procedures in this section, a limited
17 partnership or registered foreign limited partnership may amend its certificate of limited
18 partnership.

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

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

1 (1) the name of the partnership;
2 (2) the name of the agent;
3 (3) that the agent resigns from serving as registered agent for the partnership; and
4 (4) the address of the partnership to which the agent will send the notice required
5 by subsection (c).

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

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

13 (d) When a statement of resignation takes effect, the registered agent ceases to have
14 responsibility under this [act] for any matter thereafter tendered to it as agent for the limited
15 partnership or registered foreign limited partnership. The resignation does not affect any
16 contractual rights the partnership has against the agent or that the agent has against the
17 partnership.

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

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

24 ~~(c) An agency for service of process is terminated on the 31st day after the [Secretary of~~

1 ~~State] files the statement of resignation.~~

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

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

5 (1) the name of the limited partnership or registered foreign limited partnership
6 represented by the registered agent;

7 (2) the name of the agent as currently shown in the records of the [Secretary of
8 State] for the partnership or foreign partnership;

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

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

11 (b) A registered agent promptly shall furnish notice to the represented limited partnership
12 or registered foreign limited partnership of the filing of the statement of change by the [Secretary
13 of State] and the changes made by the statement.

14 **SECTION ~~117~~ 120. SERVICE OF PROCESS, NOTICE, OR DEMAND.**

15 ~~(a) An agent for service of process appointed by a limited partnership or foreign limited~~
16 ~~partnership is an agent of the limited partnership or foreign limited partnership for service of any~~
17 ~~process, notice, or demand required or permitted by law to be served upon the limited~~
18 ~~partnership or foreign limited partnership.~~

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

24 ~~(c) Service of any process, notice, or demand on the [Secretary of State] may be made by~~

1 ~~delivering to and leaving with the [Secretary of State] duplicate copies of the process, notice, or~~
2 ~~demand. If a process, notice, or demand is served on the [Secretary of State], the [Secretary of~~
3 ~~State] shall forward one of the copies by registered or certified mail, return receipt requested, to~~
4 ~~the limited partnership or foreign limited partnership at its designated office.~~

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

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

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

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

12 ~~(e) The [Secretary of State] shall keep a record of each process, notice, and demand~~
13 ~~served pursuant to this section and record the time of, and the action taken regarding, the service.~~

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

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

18 (b) If a limited partnership or registered foreign limited partnership ceases to have a
19 registered agent, or if its registered agent cannot with reasonable diligence be served, the
20 partnership may be served by registered or certified mail, return receipt requested, or by similar
21 commercial delivery service, addressed to the partnership at its principal office. The address of
22 the principal office must be as shown in the partnership's most recent [annual] [biennial] report
23 filed by the [Secretary of State]. Service is effected under this subsection on the earliest of:

24 (1) the date the partnership receives the mail or delivery by the commercial

1 delivery service;

2 (2) the date shown on the return receipt, if signed by the partnership; or

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

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

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

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

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

17 **SECTION 121. DELIVERY OF RECORD.**

18 (a) Except as otherwise provided in this [act], permissible means of delivery of a record
19 include delivery by hand, the United States Postal Service, a commercial delivery service, and
20 electronic transmission.

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

23 ~~**SECTION 122. RESERVATION OF POWER TO AMEND OR REPEAL.** *The*~~
24 ~~*[legislature of this state] has power to amend or repeal all or part of this [act] at any time, and*~~

1 all domestic and foreign limited partnerships subject to this [act] are governed by the
2 amendment or repeal.

3 [ARTICLE] 2

4 FORMATION; CERTIFICATE OF

5 LIMITED PARTNERSHIP AND OTHER FILINGS

6 SECTION 201. FORMATION OF LIMITED PARTNERSHIP; CERTIFICATE
7 OF LIMITED PARTNERSHIP.

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

10 (b) The certificate of limited partnership must state:

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

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

14 (3) the name and street and mailing ~~address~~ addresses within this state of the
15 ~~initial~~ partnership's registered agent ~~for service of process~~;

16 ~~(3)~~ (4) the name and the street and mailing ~~address~~ addresses of each general
17 partner; and

18 ~~(4)~~ (5) whether the limited partnership is a limited liability limited partnership;
19 ~~and~~

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

21 ~~(b)~~ (c) A certificate of limited partnership may ~~also~~ contain ~~any~~ statements as to matters
22 other than those required by subsection (b), but may not vary or otherwise affect the provisions
23 specified in Section ~~110(b)~~ 111(c) in a manner inconsistent with that section.

24 ~~(e)~~ (d) ~~If there has been substantial compliance with subsection (a), subject to Section~~

1 ~~206(c) a limited partnership is formed when the [Secretary of State] files the certificate of~~
2 ~~limited partnership~~ A limited partnership is formed when:

3 (1) the certificate of limited partnership has become effective;

4 (2) at least two persons have become partners;

5 (3) at least one person has become a general partner; and

6 (4) at least one person has become a limited partner.

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

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

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

14 **SECTION 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF**
15 **LIMITED PARTNERSHIP.**

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

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

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

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

22 (3) the changes the amendment makes to the certificate as most recently amended
23 or restated.

24 (c) To restate its certificate of limited partnership, a limited partnership must deliver to

1 the [Secretary of State] for filing a restatement designated as such in its heading.

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

4 (1) the admission of a new general partner;

5 (2) the dissociation of a person as a general partner; or

6 (3) the appointment of a person to wind up the limited partnership's activities and
7 affairs under Section ~~803(e)~~ 802(c) or (d).

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

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

12 (2) if appropriate, deliver to the [Secretary of State] for filing a statement of
13 change ~~pursuant to~~ under Section ~~115~~ 117 or a statement of correction ~~pursuant to~~ under Section
14 ~~207~~ 208.

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

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

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

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

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

1 ~~(2) the date of filing of its initial certificate of limited partnership; and~~
2 ~~(3) any other information as determined by the general partners filing the statement or by~~
3 ~~a person appointed pursuant to Section 803(c) or (d).~~

4 **SECTION ~~204~~ 203. SIGNING OF RECORDS TO BE DELIVERED FOR FILING**
5 **TO [SECRETARY OF STATE].**

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

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

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

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

16 (4) An amendment to the certificate of limited partnership required by Section
17 803 ~~802~~ (c) following the appointment of a person to wind up the dissolved limited partnership's
18 activities and affairs must be signed by that person.

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

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

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

24 (C) each person that the amendment indicates has dissociated as a general

1 partner, unless:

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

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

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

10 (7) A statement of termination must be signed by all general partners listed in the
11 certificate of limited partnership or, if the certificate of a dissolved limited partnership lists no
12 general partners, by the person appointed pursuant to Section 802(c) or (d) to wind up the
13 dissolved limited partnership's activities and affairs.

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

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

17 ~~(10) (8)~~ Any other record delivered ~~on behalf of~~ by a limited partnership to the
18 [Secretary of State] for filing must be signed by at least one general partner listed in the
19 certificate of limited partnership.

20 ~~(11) (9)~~ A statement by a person pursuant to Section 605(a)(4) stating that the
21 person has dissociated as a general partner must be signed by that person.

22 ~~(12) (10)~~ A statement of ~~withdrawal~~ negation by a person pursuant to Section 306
23 must be signed by that person.

24 ~~(13) (11)~~ A record delivered on behalf of a foreign limited partnership to the

[Secretary of State] for filing must be signed by at least one general partner of the foreign limited partnership.

~~(14)~~ (12) Any other record delivered on behalf of any person to the [Secretary of State] for filing must be signed by that person.

~~(b) Any person may sign by an attorney in fact any record to be filed pursuant to this Act~~ Any record filed under this [act] may be signed by an agent. Whenever this [act] requires a particular individual to sign a record and the individual is deceased or incompetent, the record may be signed by a legal representative of the individual.

(c) A person that signs a record as an agent or legal representative thereby affirms as a fact that the person is authorized to sign the record.

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

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

(1) the person to sign the record;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 ~~(c) Except as otherwise provided in Sections 116 and 207, a record delivered to the~~
22 ~~[Secretary of State] for filing under this [Act] may specify an effective time and a delayed~~
23 ~~effective date. Except as otherwise provided in this [Act], a record filed by the [Secretary of~~
24 ~~State] is effective:~~

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

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

6 ~~(3) if the record specifies a delayed effective date but not an effective time, at~~
7 ~~12:01 a.m. on the earlier of:~~

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

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

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

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

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

14 **SECTION 205. FILING REQUIREMENTS.**

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

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

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

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

23 (4) The record must be signed by a person authorized under this [act] to sign the
24 record.

1 (5) The record must state the name and capacity, if any, of each individual who
2 signed it, either on the individual's behalf or on behalf of a person authorized or required to sign
3 the record, but need not contain a seal, attestation, acknowledgment, or verification.

4 (b) If law other than this [act] prohibits the disclosure by the [Secretary of State] of
5 information contained in a record delivered to the [Secretary of State] for filing, the [Secretary of
6 State] shall accept the record if the record otherwise complies with this [act] but the [Secretary of
7 State] may redact the information.

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

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

13 **SECTION 206. EFFECTIVE TIME AND DATE.** Except as otherwise provided in
14 Section 207 and subject to Section 208(c), a record filed under this [act] is effective:

15 (1) on the date and at the time of its filing by the [Secretary of State], as provided in
16 Section 209;

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

19 (3) at a specified delayed effective time and date, which may not be more than 90 days
20 after the date of filing; or

21 (4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the
22 date specified, which may not be more than 90 days after the date of filing.

1 **SECTION 207. WITHDRAWAL OF FILED RECORD BEFORE**
2 **EFFECTIVENESS.**

3 (a) Except as otherwise provided in [Article] 11, a record delivered to the [Secretary of
4 State] for filing may be withdrawn before it takes effect by delivering to the [Secretary of State]
5 for filing a statement of withdrawal.

6 (b) A statement of withdrawal must:

7 (1) be signed by each person that signed the record being withdrawn, except as
8 otherwise agreed by those persons;

9 (2) identify the record to be withdrawn; and

10 (3) if signed by fewer than all the persons that signed the record being withdrawn,
11 state that the record is withdrawn in accordance with the agreement of all the persons that signed
12 the record.

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

15 **SECTION ~~207~~ 208. CORRECTING FILED RECORD.**

16 ~~(a) A limited partnership or foreign limited partnership may deliver to the [Secretary of~~
17 ~~State] for filing a statement of correction to correct a record previously delivered by the limited~~
18 ~~partnership or foreign limited partnership to the [Secretary of State] and filed by the [Secretary~~
19 ~~of State], if at the time of filing the record contained false or erroneous information or was~~
20 ~~defectively signed.~~

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

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

24 ~~(2) specify the incorrect information and the reason it is incorrect or the manner in~~

1 ~~which the signing was defective; and~~

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

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

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

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

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

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

12 (2) the record was defectively signed; or

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

15 (b) To correct a filed record, a person on whose behalf the record was delivered to the
16 [Secretary of State] must deliver to the [Secretary of State] for filing a statement of correction.

17 (c) A statement of correction:

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

19 (2) must be signed by the person correcting the filed record;

20 (3) must identify the filed record to be corrected;

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

22 (5) must correct the inaccuracy or defect.

23 (d) A statement of correction is effective as of the effective date of the filed record that it
24 corrects except for purposes of Section 103(d) and as to persons relying on the uncorrected filed

record and adversely affected by the correction. For those purposes and as to those persons, the statement of correction is effective when filed.

SECTION 209. DUTY OF [SECRETARY OF STATE] TO FILE; REVIEW OF REFUSAL TO FILE; TRANSMISSION OF INFORMATION BY THE [SECRETARY OF STATE].

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

(b) When the [Secretary of State] files a record, the [Secretary of State] shall record it as filed on the date and at the time of its delivery. After filing a record, the [Secretary of State] shall deliver to the person that submitted the record a copy of the record with an acknowledgment of the date and time of filing.

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

(1) return the record or notify the person that submitted the record of the refusal; and

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

(d) If the [Secretary of State] refuses to file a record, the person that submitted the record may petition [the appropriate court] to compel filing of the record. The record and the explanation of the [Secretary of State] of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding.

(e) The filing of or refusal to file a record does not create a presumption that the information contained in the filing is correct or incorrect.

(f) Except as otherwise provided by Section 120 or by law other than this [act], the

1 [Secretary of State] may deliver any record to a person by delivering it:

2 (1) in person to the person that submitted it;

3 (2) to the address of the person's registered agent;

4 (3) to the principal office of the person; or

5 (4) to another address the person provides to the [Secretary of State] for delivery.

6 **SECTION ~~208~~ 210. LIABILITY FOR ~~FALSE~~ INACCURATE INFORMATION IN**
7 **FILED RECORD.**

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

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

13 (2) a general partner if:

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

15 (B) ~~that has~~ the general partner had notice of the inaccuracy ~~notice that~~
16 ~~the information was false when the record was filed or has become false because of changed~~
17 ~~circumstances, if the general partner has notice~~ for a reasonably sufficient time before the
18 information is ~~was~~ relied upon ~~to enable the general partner to~~ so that, before the reliance, the
19 general partner reasonably could have:

20 (i) ~~effect~~ effected an amendment under Section 202;₂

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

22 (iii) ~~deliver~~ delivered to the [Secretary of State] for filing a
23 statement of change ~~pursuant to~~ under Section ~~115~~ 117 or a statement of correction ~~pursuant to~~
24 under to Section ~~207~~ 208.

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

5 **SECTION 209. CERTIFICATE OF EXISTENCE OR AUTHORIZATION.**

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

- 10 (1) ~~the limited partnership's name;~~
11 (2) ~~that it was duly formed under the laws of this State and the date of formation;~~
12 (3) ~~whether all fees, taxes, and penalties due to the [Secretary of State] under this~~
13 ~~[Act] or other law have been paid;~~
14 (4) ~~whether the limited partnership's most recent annual report required by~~
15 ~~Section 210 has been filed by the [Secretary of State];~~
16 (5) ~~whether the [Secretary of State] has administratively dissolved the limited~~
17 ~~partnership;~~
18 (6) ~~whether the limited partnership's certificate of limited partnership has been~~
19 ~~amended to state that the limited partnership is dissolved;~~
20 (7) ~~that a statement of termination has not been filed by the [Secretary of State];~~
21 ~~and~~
22 (8) ~~other facts of record in the [office of the Secretary of State] which may be~~
23 ~~requested by the applicant.~~

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

1 ~~certificate of authorization for a foreign limited partnership if the records filed in the [office of~~
2 ~~the Secretary of State] show that the [Secretary of State] has filed a certificate of authority, has~~
3 ~~not revoked the certificate of authority, and has not filed a notice of cancellation. A certificate of~~
4 ~~authorization must state:~~

5 (1) ~~the foreign limited partnership's name and any alternate name adopted under~~
6 ~~Section 905(a) for use in this State;~~

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

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

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

12 (5) ~~that the [Secretary of State] has not revoked its certificate of authority and has~~
13 ~~not filed a notice of cancellation; and~~

14 (6) ~~other facts of record in the [office of the Secretary of State] which may be~~
15 ~~requested by the applicant.~~

16 (c) ~~Subject to any qualification stated in the certificate, a certificate of existence or~~
17 ~~authorization issued by the [Secretary of State] may be relied upon as conclusive evidence that~~
18 ~~the limited partnership or foreign limited partnership is in existence or is authorized to transact~~
19 ~~business in this State.~~

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

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

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

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

3 (2) in the case of a limited partnership:

4 (A) that a certificate of limited partnership has been filed and has taken
5 effect;

6 (B) the date the certificate became effective;

7 (C) the period of the limited partnership's duration if the records of the
8 [Secretary of State] reflect that its period of duration is less than perpetual; and

9 (D) that:

10 (i) a statement of dissolution, statement of administrative
11 dissolution, or statement of termination has not been filed;

12 (ii) the records of the [Secretary to State] do not otherwise reflect
13 that the partnership has been dissolved or terminated; and

14 (iii) a proceeding is not pending under Section 810;

15 (3) in the case of a registered foreign limited partnership, that it is registered to
16 do business in this state;

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

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

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

23 (5) that the most recent [annual] [biennial] report required by Section 212 has
24 been delivered to the [Secretary of State] for filing; and

(6) other facts reflected in the records of the [Secretary of State] pertaining to the limited partnership or foreign limited partnership which the person requesting the certificate reasonably requests.

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

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

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

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

(2) ~~the street and mailing address of its designated office and the name and street and mailing address~~ addresses of its registered agent in this ~~State~~ state;

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

(4) the name of at least one general partner; and

(5) in the case of a foreign limited partnership, the ~~State or other~~ jurisdiction whose law governs the partnership's internal affairs ~~under whose law the foreign limited partnership is formed~~ and any alternate name adopted under Section ~~905(a)~~ 906(a).

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

(c) The first ~~annual~~ [annual] [biennial] report must be delivered to the [Secretary of State]

1 ~~between~~ after [January 1] and before [April 1] of the year following the calendar year in which a
2 ~~the limited partnership was formed~~ partnership's certificate of limited partnership became
3 effective or a ~~the~~ foreign limited partnership ~~was authorized to transact~~ registered to do business
4 in this state. ~~An annual report~~ Subsequent [annual] [biennial] reports must be delivered to the
5 [Secretary of State] between after [January 1] and before [April 1] of each ~~subsequent~~ [second]
6 calendar year thereafter.

7 (d) If ~~an annual~~ [an annual] [a biennial] report does not contain the information required
8 ~~in subsection (a)~~ by this section, the [Secretary of State] promptly shall ~~promptly~~ notify the
9 reporting limited partnership or registered foreign limited partnership in a record and return the
10 report to it for correction. ~~If the report is corrected to contain the information required in~~
11 ~~subsection (a) and delivered to the [Secretary of State] within 30 days after the effective date of~~
12 ~~the notice, it is timely delivered.~~

13 (e) If ~~a filed annual~~ [an annual] [a biennial] report contains ~~an address of a designated~~
14 ~~office or~~ the name or address of ~~an~~ a registered agent for service of process which differs from
15 the information shown in the records of the [Secretary of State] immediately before the filing
16 [annual] [biennial] report becomes effective, the differing information in the ~~annual~~ [annual]
17 [biennial] report is considered a statement of change under Section ~~445~~ 119.

18 [ARTICLE] 3

19 LIMITED PARTNERS

20 **SECTION 301. BECOMING LIMITED PARTNER.** ~~A person becomes a limited~~
21 ~~partner:~~

22 ~~(1)~~ (a) Upon formation of a limited partnership, a person becomes a limited
23 partner as agreed among the persons that are to be the initial partners.

24 (b) After formation, a person becomes a limited partner:

(1) as provided in the partnership agreement;

(2) as the result of a ~~conversion or merger~~ transaction effective under

[Article] 11; ~~or~~

(3) with the consent of all the partners; or

(4) as provided in Section 801(a)(4) or (a)(5).

(c) A person may become a partner without:

(1) acquiring a transferable interest; or

(2) making or being obligated to make a contribution to the limited partnership.

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

(a) A limited partner is not an agent of a limited partnership solely by reason of being a
limited partner.

(b) A person's status as a limited partner does not prevent or restrict law other than this
[act] from imposing liability on a limited partnership because of the person's conduct.

**SECTION 303. NO LIABILITY AS LIMITED PARTNER FOR LIMITED
PARTNERSHIP OBLIGATIONS. ~~An obligation~~**

(a) A debt, obligation, or other liability of a limited partnership, ~~whether arising in
contract, tort, or otherwise,~~ is not the obligation of a limited partner. A limited partner is not
personally liable, directly or indirectly, by way of contribution or otherwise, for ~~an obligation a~~
debt, obligation, or other liability of the limited partnership solely by reason of being or acting
as a limited partner, even if the limited partner participates in the management and control of the
limited partnership.

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

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

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

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

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

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

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

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

(c) ~~Within~~ Not later than 10 days after receiving a demand pursuant to subsection (b), the limited partnership in a record shall inform the limited partner that made the demand:

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

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

(3) (2) if the *limited* partnership declines to provide any demanded information, the *limited* partnership's reasons for declining.

(d) Whenever this [act] or a partnership agreement provides for a limited partner to give or withhold consent to a matter, before the consent is given or withheld, the limited partnership shall, without demand, provide the limited partner with all information that is known to the partnership and is material to the limited partner's decision.

(e) Subject to subsection (f) (j), on 10 days' demand made in a record received by a limited partnership, a person dissociated as a limited partner may ~~inspect and copy required information during regular business hours in the limited partnership's designated office~~ have access to information to which the person was entitled while a limited partner if:

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

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

(3) the person ~~meets~~ satisfies the requirements ~~of imposed on a limited partner by~~ subsection (b).

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

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

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

1 a limited partner.

2 (i) Subject to subsection (i) (j), the rights under this section do not extend to a person as
3 transferee.

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

5 (g) (k) ~~The limited partnership may impose reasonable restrictions on the use of~~
6 ~~information obtained under this section. In addition to any restriction or condition stated in its~~
7 ~~partnership agreement, a limited partnership, as a matter within the ordinary course of its~~
8 ~~activities and affairs, may impose reasonable restrictions and conditions on access to and use of~~
9 ~~information to be furnished under this section, including designating information confidential~~
10 ~~and imposing nondisclosure and safeguarding obligations on the recipient.~~ In a dispute
11 concerning the reasonableness of a restriction under this subsection, the ~~limited~~ partnership has
12 the burden of proving reasonableness.

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

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

19 (j) ~~A limited partner or person dissociated as a limited partner may exercise the rights~~
20 ~~under this section through an attorney or other agent. Any restriction imposed under subsection~~
21 ~~(g) or by the partnership agreement applies both to the attorney or other agent and to the limited~~
22 ~~partner or person dissociated as a limited partner.~~

23 (k) ~~The rights stated in this section do not extend to a person as transferee, but may be~~
24 ~~exercised by the legal representative of an individual under legal disability who is a limited~~

1 ~~partner or person dissociated as a limited partner.~~

2 **SECTION 305. LIMITED DUTIES OF LIMITED PARTNERS.**

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

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

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

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

17 **SECTION 306. PERSON ERRONEOUSLY BELIEVING SELF TO BE LIMITED**
18 **PARTNER.**

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

24 (1) causes an appropriate certificate of limited partnership, amendment, or

1 statement of correction to be signed and delivered to the [Secretary of State] for filing; or

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

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

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

16 [ARTICLE] 4

17 GENERAL PARTNERS

18 SECTION 401. BECOMING GENERAL PARTNER.

19 (a) A person becomes a general partner:

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

22 (2) after formation:

23 (A) as provided in the partnership agreement;

24 (2) ~~(B)~~ under Section ~~801(3)(B)~~ 801(A)(3)(B) following the dissociation of

1 a limited partnership's last general partner;

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

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

5 (b) A person may become a general partner without:

6 (1) acquiring a transferable interest; or

7 (2) making or being obligated to make a contribution to the partnership.

8 **SECTION 402. GENERAL PARTNER AGENT OF LIMITED PARTNERSHIP.**

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

17 (b) An act of a general partner which is not apparently for carrying on in the ordinary
18 course the limited partnership's activities and affairs or activities and affairs of the kind carried
19 on by the ~~limited~~ partnership binds the ~~limited~~ partnership only if the act was actually authorized
20 by all the other partners.

21 **SECTION 403. LIMITED PARTNERSHIP LIABLE FOR GENERAL** 22 **PARTNER'S ACTIONABLE CONDUCT.**

23 (a) A limited partnership is liable for loss or injury caused to a person, or for a penalty
24 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general

1 partner acting in the ordinary course of activities and affairs of the ~~limited~~ partnership or with the
2 actual or apparent authority of the ~~limited~~ partnership.

3 (b) If, in the course of ~~the~~ a limited partnership's activities and affairs or while acting
4 with actual or apparent authority of the ~~limited~~ partnership, a general partner receives or causes
5 the ~~limited~~ partnership to receive money or property of a person not a partner, and the money or
6 property is misapplied by a general partner, the ~~limited~~ partnership is liable for the loss.

7 **SECTION 404. GENERAL PARTNER'S LIABILITY.**

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

11 (b) A person that becomes a general partner of an existing limited partnership is not
12 personally liable for ~~an~~ a debt, obligation, or other liability of ~~a limited~~ THE partnership incurred
13 before the person became a general partner.

14 (c) ~~An~~ A debt, obligation, or other liability of a limited partnership incurred while the
15 ~~limited~~ partnership is a limited liability limited partnership, ~~whether arising in contract, tort, or~~
16 ~~otherwise,~~ is solely the debt, obligation, or other liability of the limited LIABILITY LIMITED
17 partnership. A general partner is not personally liable, directly or indirectly, by way of
18 contribution or otherwise, for ~~such~~ a debt, obligation, or other liability of the limited liability
19 limited partnership solely by reason of being or acting as a general partner. This subsection
20 applies despite anything inconsistent in the partnership agreement that existed immediately
21 before the consent required to become a limited liability limited partnership under Section
22 406(b)(2); or

23 (d) The failure of a limited liability limited partnership to observe formalities
24 relating to the exercise of its powers or management of its activities and affairs is not a ground

1 for imposing liability on a general partner of the limited liability limited partnership for a debt,
2 obligation, or liability of the partnership.

3 (e) An amendment of a certificate of limited partnership which deletes a statement that
4 the limited partnership is a limited liability limited partnership does not affect the limitation in
5 this section on liability of a general partner for a debt, obligation, or other liability of the limited
6 partnership incurred before the amendment became effective.

7 **SECTION 405. ACTIONS BY AND AGAINST PARTNERSHIP AND**
8 **PARTNERS.**

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

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

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

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

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

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

23 (4) a court grants permission to the judgment creditor to levy execution against
24 the assets of a general partner based on a finding that ~~limited~~ partnership assets subject to

1 execution are clearly insufficient to satisfy the judgment, that exhaustion of *partnership* assets is
2 excessively burdensome, or that the grant of permission is an appropriate exercise of the court's
3 equitable powers; or

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

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

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

12 (b) The consent of ~~each partner~~ all partners is ~~necessary~~ required to:

13 (1) amend the partnership agreement;

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

16 (3) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the
17 limited partnership's property, with or without the good will, other than in the usual and regular
18 course of the limited partnership's activities and affairs; and

19 (4) approve a transaction under [Article] 11.

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

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

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

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

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

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

~~(1) in the limited partnership's designated office, required information; and~~

~~(2) at a reasonable location specified by the limited partnership, any other records maintained by the limited partnership regarding the activities and financial condition.~~

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

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

(1) without demand, any information concerning the limited partnership's activities, affairs, ~~and activities reasonably required for the proper exercise of the general partner's rights and duties under the partnership agreement or this [Act]~~ financial condition,

and other circumstances which the partnership knows and are material to the proper exercise of the general partner's rights and duties under the partnership agreement or this [act], except to the extent the partnership can establish that it reasonably believes the general partner already knows the information; and

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

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

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

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

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

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

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

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

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

1 (h) A general partner or person dissociated as a general partner may exercise rights
2 under this section through an agent or, in the case of an individual under legal disability, a legal
3 representative. Any restriction or condition imposed by the partnership agreement or under
4 subsection (i) applies both to the agent or legal representative and the general partner or person
5 dissociated as a general partner.

6 (i) The rights under this section do not extend to a person as transferee, but if:

7 (i) (1) a general partner dies, Section 704 applies; and

8 (ii) (2) an individual dissociates as a general partner under Section 603(7)(B) or
9 (C), the legal representative of the individual may exercise the rights under subsection (d) of a
10 person dissociated as a general partner.

11 ~~(j) The limited partnership may impose reasonable restrictions on the use of information~~
12 ~~under this section. In addition to any restriction or condition stated in the partnership~~
13 ~~agreement, a limited partnership, as a matter within the ordinary course of its activities and~~
14 ~~affairs, may impose reasonable restrictions and conditions on access to and use of information~~
15 ~~to be furnished under this section, including designating information confidential and imposing~~
16 ~~nondisclosure and safeguarding obligations on the recipient. In any a dispute concerning the~~
17 ~~reasonableness of a restriction under this subsection, the limited partnership has the burden of~~
18 ~~proving reasonableness.~~

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

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

1 ~~partner or person dissociated as a general partner.~~

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

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

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

11 (b) A limited partnership shall indemnify and hold harmless a person with respect to any
12 claim or demand against the person and any debt, obligation, or other liability incurred by the
13 person by reason of the person's former or present capacity as a general partner, if the claim,
14 demand, debt, obligation, or other liability does not arise from the person's breach of Section
15 406, 409, or 505.

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

21 (d) A limited partnership may purchase and maintain insurance on behalf of a general
22 partner against liability asserted against or incurred by the general partner in that capacity or
23 arising from that status even if, under Section 111(c)(8), the partnership agreement could not
24 eliminate or limit the person's liability to the partnership for the conduct giving rise to the

1 liability.

2 **SECTION 408 409. GENERAL STANDARDS OF GENERAL PARTNER'S**
3 **CONDUCT FOR GENERAL PARTNERS.**

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

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

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

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

13 (B) ~~derived~~ from a use by the general partner of the partnership's
14 ~~partnership~~ property; including; or

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

16 (2) to refrain from dealing with the ~~limited~~ partnership in the conduct or winding
17 up of the ~~limited~~ partnership's activities and affairs as or on behalf of a ~~party~~ person having an
18 interest adverse to the ~~limited~~ partnership; and

19 (3) to refrain from competing with the ~~limited~~ partnership in the conduct or
20 winding up of the ~~limited~~ partnership's activities and affairs.

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

(d) A general partner shall discharge the duties ~~to the partnership and the other partners~~ and obligations under this ~~{Act}~~ [act] or under the partnership agreement and exercise any rights consistently with the contractual obligation of good faith and fair dealing.

(e) A general partner does not violate a duty or obligation under this ~~{Act}~~ [act] or under the partnership agreement ~~merely~~ solely because the general partner's conduct furthers the general partner's own interest.

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

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

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

[ARTICLE] 5

CONTRIBUTIONS AND DISTRIBUTIONS

SECTION 501. FORM OF CONTRIBUTION. A contribution ~~of a partner~~ may consist of ~~tangible or intangible~~ property transferred, services performed, or other benefit provided to the limited partnership, ~~including money, services performed, promissory notes, other agreements or an agreement to contribute cash or transfer property, and contracts for services to be performed~~ perform services, or provide another benefit.

SECTION 502. LIABILITY FOR CONTRIBUTION.

(a) A ~~partner's~~ person's obligation to ~~contribute money or other property or other benefit~~

1 ~~to, or to perform services for,~~ to make a contribution to a limited partnership is not excused by
2 the ~~partner's~~ person's death, disability, or other inability to perform personally.

3 (b) If a ~~partner~~ person does not fulfill an obligation to make a ~~promised non-monetary~~
4 contribution, the ~~partner~~ person is obligated at the option of the limited partnership to contribute
5 money equal to ~~that portion of~~ the value, as stated in the required information, of the ~~stated part~~
6 of the contribution which has not been made.

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

12 **SECTION 503. SHARING OF AND RIGHT TO DISTRIBUTIONS BEFORE**
13 **DISSOLUTION.**

14 ~~(a) A distribution~~ Except to the extent necessary to comply with a transfer effective under
15 Section 702 or charging order in effect under Section 703, any distributions made by a limited
16 partnership before its dissolution and winding up must be shared among the partners on the basis
17 of the value, as stated in the required records when the limited partnership decides to make the
18 distribution, of the contributions the limited partnership has received from each partner.

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

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

1 ~~**SECTION 506. DISTRIBUTION IN KIND.**~~ (c) A ~~partner person~~ does not have a right
2 to demand or receive ~~any a~~ distribution from a limited partnership in any form other than ~~cash~~
3 ~~money.~~ ~~Subject to~~ Except as otherwise provided in Section 812(b) 813, a ~~limited~~ partnership
4 may distribute an asset in kind ~~to the extent~~ only if each part of the asset is fungible with each
5 other part and each partner person receives a percentage of the asset equal in value to the
6 ~~partner's person's~~ share of distributions.

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

13 ~~**SECTION 508**~~ **504. LIMITATIONS ON DISTRIBUTION DISTRIBUTIONS.**

14 (a) A limited partnership may not make a distribution ~~in violation of the partnership~~
15 ~~agreement,~~ including a distribution under Section 813

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

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

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

(e) ~~(b)~~ A ~~limited~~ partnership may base a determination that a distribution is not prohibited under subsection ~~(b)~~ (a) on:

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

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

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

(1) in the case of distribution ~~by purchase, redemption, or other acquisition of a transferable interest in the limited partnership as defined in Section 102(4)(A), as of the earlier of:~~

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

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

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

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

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

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

~~(e)~~ (d) A limited partnership's indebtedness to a partner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the ~~limited~~ partnership's

indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

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

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

(f) In measuring the effect of a distribution under Section 503, the debts and liabilities of a dissolved limited partnership do not include any claim that has been disposed of under Section 806, 807, or 808.

SECTION ~~509~~ 505. LIABILITY FOR IMPROPER DISTRIBUTIONS.

(a) A general partner ~~that~~ consents to a distribution made in violation of Section 508 504 and in consenting to the distribution fails to comply with Section 409, the general partner is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation of Section 504 if it is established that in consenting to the distribution the general partner failed to comply with Section 408.

(b) A ~~partner or transferee~~ person that ~~received~~ receives a distribution knowing that the distribution ~~to that partner or transferee was made in violation of~~ violated Section 508 504 is personally liable to the limited partnership but only to the extent that the distribution received by the ~~partner or transferee~~ person exceeded the amount that could have been properly paid under Section ~~508~~ 504.

(c) A general partner against which an action is commenced ~~under subsection (a)~~ because the general partner is liable under subsection (a) may:

(1) implead ~~in the action~~ any other person that is ~~liable~~ subject to liability under

subsection (a) and ~~compel~~ seek to enforce a right of contribution from the person; and

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

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

[ARTICLE] 6

DISSOCIATION

SECTION 601. DISSOCIATION AS LIMITED PARTNER.

(a) A person does not have a right to dissociate as a limited partner before the ~~termination~~ completion of the winding up of the limited partnership.

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

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

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

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

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

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

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

(i) a transfer for security purposes; or
(ii) a ~~court~~ charging order ~~charging the person's interest, in effect~~
under Section 703 which has not been foreclosed;

(C) the person is a corporation and, ~~within 90 days after:~~

(i) the ~~limited~~ partnership notifies the person that it will be expelled as a limited partner because ~~it~~ the person has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, ~~there is no revocation of;~~ and

(ii) not later than 90 days after the notification the certificate of dissolution or the equivalent has not been revoked ~~or no reinstatement of~~ or its charter or ~~its~~ right to conduct business has not been reinstated; or

(D) the person is ~~a limited liability company or partnership an~~
unincorporated entity that has been dissolved and whose business is being wound up;

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

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

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

(C) ~~the person~~ has engaged or is engaging in conduct relating to the

1 ~~limited~~ partnership's activities and affairs which makes it not reasonably practicable to carry on
2 the activities and affairs with the person as a limited partner;

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

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

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

13 (9) ~~termination in the case of a limited partner person~~ that is not an individual,
14 ~~partnership, limited liability company,~~ corporation, unincorporated entity, trust, or estate, the
15 existence of the person terminates; ~~or~~

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

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

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

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

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

24 (13) the partnership participates in a domestication under [Article] 11 and as a

1 result of the domestication, the person ceases to be a limited partner; or

2 (14) the partnership dissolves and completes winding up.

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

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

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

7 (2) the person's contractual obligation of good faith and fair dealing as a limited
8 partner under Section ~~305(b)~~ 305(a) ~~continues only as to matters arising and events occurring~~
9 ~~before the dissociation~~ ends with regard to matters arising and events occurring after the
10 person's dissociation; and

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

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

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

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

23 (2) an event ~~agreed to~~ stated in the partnership agreement as causing the person's
24 dissociation as a general partner occurs;

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

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

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

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

(i) a transfer for security purposes; or

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

(C) the person is a corporation and, ~~within 90 days after~~;

(i) the ~~limited~~ partnership notifies the person that it will be expelled as a ~~limited general~~ partner because ~~it~~ the person has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, ~~there is no revocation of~~;

(ii) not later than 90 days after the notification the certificate of dissolution or the equivalent has not been revoked ~~or no reinstatement of~~ or its charter or ~~its~~ right to conduct business has not been reinstated; or

(D) the person is ~~a limited liability company or partnership~~ an unincorporated entity that has been dissolved and whose business is being wound up;

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

(A) ~~the person~~ has engaged or is engaging in wrongful conduct that has

adversely and materially affected or will adversely and materially affect the ~~limited~~ partnership's activities and affairs;

(B) ~~the person~~ has willfully or persistently committed, or is willfully and persistently committing, a material breach of the partnership agreement or a duty or obligation ~~owed to the partnership or the other partners~~ under Section 408 409; or

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

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

(A) the person's death individual dies;

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

(C) ~~a judicial determination a court orders that the individual has otherwise become incapable of performing the individual's duties as a general partner under this [act] or the partnership agreement~~;

(7) the person's person:

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

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

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

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

1 ~~within 90 days after the expiration of a stay to have the appointment vacated;~~

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

3 (A) the person's death;

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

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

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

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

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

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

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

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

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

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

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

4 (15) the partnership dissolves and completes winding up.

5 **SECTION 604. ~~PERSON'S~~ POWER TO DISSOCIATE AS GENERAL**
6 **PARTNER; WRONGFUL DISSOCIATION.**

7 (a) A person has the power to dissociate as a general partner at any time, rightfully or
8 wrongfully, by withdrawing as a general partner by express will ~~pursuant to~~ under Section
9 603(1).

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

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

12 (2) ~~it~~ occurs before the ~~termination~~ completion of the winding up of the limited
13 partnership, and:

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

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

17 (C) the person is dissociated as a general partner under Section 603(7) ~~by~~
18 ~~becoming a debtor in bankruptcy~~; or

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

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

1 general partner to the ~~limited~~ partnership or ~~to~~ the other partners.

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

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

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

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

8 (3) ~~the person's duty of loyalty as a general partner under Section 408(b)(1) and~~
9 ~~(2) and duty of care under Section 408(c) continue only with regard to matters arising and~~
10 ~~events occurring before the person's dissociation as a general partner~~ the person's duties and
11 obligations as a general partner under Section 409 end with regard to matters arising and events
12 occurring after the person's dissociation;

13 (4) (3) the person may sign and deliver to the [Secretary of State] for filing a
14 statement of dissociation pertaining to the person and, at the request of the limited partnership,
15 shall sign an amendment to the certificate of limited partnership which states that the person has
16 dissociated AS A GENERAL PARTNER; and

17 (5) (4) subject to Section 704 and [Article] 11, any transferable interest owned by
18 the person immediately before dissociation in the person's capacity as a general partner is owned
19 by the person solely as a ~~mere~~ transferee.

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

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

4 (a) After a person is dissociated as a general partner and before the limited partnership is
5 ~~dissolved, converted under [Article] 11, or~~ merged out of existence ~~under [Article 11], converted~~
6 ~~or domesticated under [Article 11], or dissolved,~~ the limited partnership is bound by an act of the
7 person only if:

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

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

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

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

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

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

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

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

23 (a) A person's dissociation as a general partner does not of itself discharge the person's
24 liability as a general partner for ~~an~~ a debt, obligation, or other liability of the limited partnership

1 incurred before dissociation. Except as otherwise provided in subsections (b) and (c), the person
2 is not liable for a limited ~~partnership's~~ partnership obligation incurred after dissociation.

3 (b) A person whose dissociation as a general partner resulted in a dissolution and winding
4 up of the limited partnership's activities and affairs is liable to the same extent as a general
5 partner under Section 404 on an obligation incurred by the limited partnership under Section
6 804.

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

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

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

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

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

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

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

1 [ARTICLE] 7

2 TRANSFERABLE INTERESTS AND RIGHTS

3 OF TRANSFEREES AND CREDITORS

4 SECTION 701. ~~PARTNER'S~~ NATURE OF TRANSFERABLE INTEREST. ~~The~~
5 ~~only interest of a partner which is transferable is the partner's transferable interest.~~ A
6 transferable interest is personal property.

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

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

9 (1) is permissible;

10 (2) does not by itself cause the ~~partner's~~ person's dissociation or a dissolution
11 and winding up of the limited partnership's activities and affairs; and

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

14 (A) participate in the management or conduct of the ~~limited~~ partnership's
15 activities or affairs; or

16 (B) ~~to require access to information concerning the limited partnership's~~
17 ~~transactions~~ except as otherwise provided in subsection (c), ~~or to inspect or copy the required~~
18 ~~information or the limited partnership's other records~~ have access to required information,
19 records, or other information concerning the partnership's activities and affairs.

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

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

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

24 (c) In a dissolution and winding up of a limited partnership, a transferee is entitled to an

1 account of the ~~limited~~ partnership's transactions only from the date of dissolution.

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

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

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

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

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

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

23 (a) On application ~~to a court of competent jurisdiction~~ by ~~any~~ a judgment creditor of a
24 partner or transferee, ~~the court may charge the transferable interest of the judgment debtor with~~

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

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

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

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

~~(c) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a partner, and is subject to Section 702.~~

~~(d) At any time before foreclosure under subsection (c), the partner or transferee whose transferable interest is subject to a charging order under subsection (a) may extinguish the~~

1 charging order by satisfying the judgment and filing a certified copy of the satisfaction with the
2 court that issued the charging order.

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

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

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

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

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

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

18 **SECTION 704. POWER ~~OF ESTATE~~ LEGAL REPRESENTATIVE OF**
19 **DECEASED PARTNER.** If a partner dies, the deceased partner's ~~personal representative or~~
20 ~~other~~ legal representative may exercise:

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

22 (2) for the purposes of settling the estate, ~~may exercise~~ the rights of a current limited
23 partner under Section 304.

24 **[ARTICLE] 8**

1 **DISSOLUTION AND WINDING UP**

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

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

6 (1) ~~the happening of~~ an event or circumstance that specified in the partnership
7 agreement states causes dissolution;

8 (2) the consent of all general partners and of limited partners owning a majority of
9 the rights to receive distributions as limited partners at the time the consent is to be effective;

10 (3) after the dissociation of a person as a general partner:

11 (A) if the ~~limited~~ partnership has at least one remaining general partner,
12 the consent to dissolve the ~~limited~~ partnership given ~~within~~ not later than 90 days after the
13 dissociation by partners owning a majority of the rights to receive distributions as partners at the
14 time the consent is to be effective; or

15 (B) if the ~~limited~~ partnership does not have a remaining general partner,
16 the passage of 90 days after the dissociation, unless before the end of the period:

17 (i) consent to continue the activities and affairs of the ~~limited~~
18 partnership and admit at least one general partner is given by limited partners owning a majority
19 of the rights to receive distributions as limited partners at the time the consent is to be effective;
20 and

21 (ii) at least one person is admitted as a general partner in
22 accordance with the consent;

23 (4) the passage of 90 consecutive days after the dissociation of the ~~limited~~
24 partnership's last limited partner, unless before the end of the period the ~~limited~~ partnership

admits at least one limited partner;

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

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

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

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

(6) on application by a partner, the entry by [the appropriate court] of an order dissolving the partnership on the grounds that:

(A) the conduct of all or substantially all the partnership's activities and affairs is unlawful; or

(B) it is not reasonably practicable to carry on the partnership's activities and affairs in conformity with the partnership agreement; or

(5) (7) the signing and filing of a ~~declaration of~~ statement of administrative dissolution by the [Secretary of State] under Section ~~809(e)~~ 810.

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

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

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

1 ~~**SECTION 802. JUDICIAL DISSOLUTION.** *On application by a partner the*~~
2 ~~*[appropriate court] may order dissolution of a limited partnership if it is not reasonably*~~
3 ~~*practicable to carry on the activities of the limited partnership in conformity with the partnership*~~
4 ~~*agreement.*~~

5 **SECTION ~~803~~ 802. WINDING UP.**

6 (a) A dissolved limited partnership shall wind up its activities and affairs, and, except as
7 otherwise provided in Section 803, the partnership continues after dissolution only for the
8 purpose of winding up ~~its activities~~.

9 (b) In winding up its activities and affairs, the limited partnership:

10 (1) shall discharge the partnership's debts, obligations, and other liabilities, settle
11 and close the ~~company's partnership's~~ activities and affairs, and marshal and distribute the
12 assets of the ~~company's partnership~~; and

13 (2) may:

14 (A) amend its certificate of limited partnership to state that the limited
15 partnership is dissolved;;

16 (B) preserve the ~~limited~~ partnership ~~business or~~ activities, affairs, and
17 property as a going concern for a reasonable time;;

18 (C) prosecute and defend actions and proceedings, whether civil, criminal,
19 or administrative;;

20 (D) transfer the ~~limited~~ partnership's property;;

21 (E) settle disputes by mediation or arbitration;;

22 (F) deliver to the [Secretary of State] for filing ~~file~~ a statement of
23 termination ~~as provided in Section 203,~~ stating the name of the partnership and that the
24 partnership is terminated; and

1 (G) perform other ~~necessary~~ acts; ~~and~~ necessary or appropriate to the
2 winding up.

3 ~~(2) shall discharge the limited partnership's liabilities, settle and close the limited~~
4 ~~partnership's activities, and marshal and distribute the assets of the partnership.~~

5 (c) If a dissolved limited partnership does not have a general partner, a person to wind up
6 the dissolved ~~limited~~ partnership's activities and affairs may be appointed by the consent of
7 limited partners owning a majority of the rights to receive distributions as limited partners at the
8 time the consent is to be effective. A person appointed under this subsection:

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

13 (2) shall ~~promptly amend~~ deliver promptly to the [Secretary of State] for filing an
14 amendment to the certificate of limited partnership to ~~state~~ stating:

15 (A) that the ~~limited~~ partnership does not have a general partner;

16 (B) the name and street and mailing addresses of the person; and

17 (C) that the person has been appointed pursuant to this subsection to wind
18 up the ~~limited~~ partnership; ~~and~~

19 ~~(C) the street and mailing address of the person.~~

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

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

1 (c); or

2 (2) the applicant establishes other good cause.

3 **SECTION 803. RESCINDING DISSOLUTION.**

4 (a) A limited partnership may rescind its dissolution, unless a statement of termination
5 applicable to the partnership is effective, [the appropriate court] has entered an order under
6 Section 801(5) dissolving the partnership, or the [Secretary of State] has dissolved the
7 partnership under Section 810.

8 (b) Rescinding dissolution under this section requires:

9 (1) the consent of each partner; and

10 (2) if the limited partnership has delivered to the [Secretary of State] for filing an
11 amendment to the certificate of limited partnership stating that the partnership is dissolved and
12 if:

13 (A) the amendment is not effective, the filing by the partnership of a
14 statement of withdrawal under Section 207 applicable to the amendment; or

15 (B) the amendment is effective, the delivery by the partnership to the
16 [Secretary of State] for filing of an amendment to the certificate of limited partnership stating
17 that dissolution has been rescinded under this section.

18 (c) If a limited partnership rescinds its dissolution:

19 (1) the partnership resumes carrying on its activities and affairs as if dissolution
20 had never occurred;

21 (2) subject to paragraph (3), any liability incurred by the partnership after the
22 dissolution and before the rescission is effective is determined as if dissolution had never
23 occurred; and

24 (3) the rights of a third party arising out of conduct in reliance on the dissolution

1 before the third party knew or had notice of the rescission may not be adversely affected.

2 **SECTION 804. POWER ~~OF GENERAL PARTNER AND PERSON DISSOCIATED~~**
3 **~~AS GENERAL PARTNER~~ TO BIND PARTNERSHIP AFTER DISSOLUTION.**

4 (a) A limited partnership is bound by a general partner's act after dissolution which:

5 (1) is appropriate for winding up the ~~limited~~ partnership's activities and affairs; or

6 (2) would have bound the ~~limited~~ partnership under Section 402 before
7 dissolution, if, at the time the other party enters into the transaction, the other party does not
8 know or have notice of the dissolution.

9 (b) A person dissociated as a general partner binds a limited partnership through an act
10 occurring after dissolution if:

11 (1) at the time the other party enters into the transaction:

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

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

15 (2) the act:

16 (A) is appropriate for winding up the ~~limited~~ partnership's activities and
17 affairs; or

18 (B) would have bound the ~~limited~~ partnership under Section 402 before
19 dissolution and at the time the other party enters into the transaction the other party does not
20 have notice of the dissolution.

1 **SECTION 805. LIABILITY AFTER DISSOLUTION OF GENERAL PARTNER**
2 **AND PERSON DISSOCIATED AS GENERAL PARTNER TO LIMITED**
3 **PARTNERSHIP, OTHER GENERAL PARTNERS, AND PERSONS DISSOCIATED AS**
4 **GENERAL PARTNER.**

5 (a) If a general partner having knowledge of the dissolution causes a limited partnership
6 to incur an obligation under Section 804(a) by an act that is not appropriate for winding up the
7 partnership's activities and affairs, the general partner is liable:

8 (1) to the ~~limited~~ partnership for any damage caused to the ~~limited~~ partnership
9 arising from the obligation; and

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

13 (b) If a person dissociated as a general partner causes a limited partnership to incur an
14 obligation under Section 804(b), the person is liable:

15 (1) to the ~~limited~~ partnership for any damage caused to the ~~limited~~ partnership
16 arising from the obligation; and

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

20 **SECTION 806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED**
21 **PARTNERSHIP.**

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

1 (c).

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

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

5 (2) state that a claim must be in writing and provide a mailing address to which
6 the claim is to be sent;

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

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

10 (5) unless the ~~limited~~ partnership has been throughout its existence a limited
11 liability limited partnership, state that the barring of a claim against the ~~limited~~ partnership will
12 also bar any corresponding claim against any general partner or person dissociated as a general
13 partner which is based on Section 404.

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

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

17 (2) ~~in the case of a~~ if the claim ~~that~~ is timely received but rejected by the
18 ~~dissolved limited~~ partnership;

19 (A) the partnership causes the claimant to receive a notice in a record
20 stating that the claim is rejected and will be barred unless the claimant commences an action
21 against the partnership to enforce the claim not later than 90 days after the claimant receives the
22 notice; and

23 (B) the claimant does not commence ~~an~~ the required action ~~to enforce the~~
24 claim against the limited partnership within not later than 90 days after the receipt of claimant

1 receives the notice ~~of the rejection~~.

2 (d) This section does not apply to a claim based on an event occurring after the effective
3 date of dissolution or a liability that on that date is contingent ~~on that date~~.

4 **SECTION 807. OTHER CLAIMS AGAINST DISSOLVED LIMITED**
5 **PARTNERSHIP.**

6 (a) A dissolved limited partnership may publish notice of its dissolution and request
7 persons having claims against the ~~limited~~ partnership to present them in accordance with the
8 notice.

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

10 (1) be published at least once in a newspaper of general circulation in the [county]
11 in this state in which the dissolved limited partnership's principal office is located or, if ~~it has~~
12 ~~none~~ the principal office is not located in this ~~State~~ state, in the [county] in which the ~~limited~~
13 ~~partnership's designated~~ office of the partnership's registered agent is or was last located;

14 (2) describe the information required to be contained in a claim, state that the
15 claim must be in writing, and provide a mailing address to which the claim is to be sent;

16 (3) state that a claim against the ~~limited~~ partnership is barred unless an action to
17 enforce the claim is commenced ~~within five~~ not later than three years after publication of the
18 notice; and

19 (4) unless the ~~limited~~ partnership has been throughout its existence a limited
20 liability limited partnership, state that the barring of a claim against the ~~limited~~ partnership will
21 also bar any corresponding claim against any general partner or person dissociated as a general
22 partner which is based on Section 404.

23 (c) If a dissolved limited partnership publishes a notice in accordance with subsection (b),
24 the claim of each of the following claimants is barred unless the claimant commences an action

1 to enforce the claim against the ~~dissolved limited~~ partnership ~~within five~~ not later than three
2 years after the publication date of the notice:

3 (1) a claimant that did not receive notice in a record under Section 806;

4 (2) a claimant whose claim was timely sent to the ~~dissolved limited~~ partnership
5 but not acted on; and

6 (3) a claimant whose claim is contingent at, or based on an event occurring after,
7 the effective date of dissolution.

8 (d) A claim not barred under this section or Section 806 may be enforced:

9 (1) against the dissolved limited partnership, to the extent of its undistributed
10 assets;

11 (2) except as otherwise provided in Section 808, if the assets of the partnership
12 have been distributed ~~in liquidation~~ after dissolution, against a partner or transferee to the
13 extent of that person's proportionate share of the claim or of the ~~limited~~ partnership's assets
14 distributed to the partner or transferee ~~in liquidation~~ after dissolution, whichever is less, but a
15 person's total liability for all claims under this paragraph may not exceed the total amount of
16 assets distributed to the person as part of the winding up of the dissolved limited partnership
17 after dissolution; ~~or~~ and

18 (3) against any person liable on the claim under ~~SECTION~~ Sections 404 and 607.

19 **SECTION 808. COURT PROCEEDINGS.**

20 (a) A dissolved limited partnership that has published a notice under Section 806 may file
21 an application with [the appropriate court] in the [county] where the dissolved partnership's
22 principal office is located, or, if the principal office is not located in this state, where the office of
23 its registered agent is located, for a determination of the amount and form of security to be
24 provided for payment of claims that are contingent, have not been made known to the

partnership, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the partnership, are reasonably expected to arise after the effective date of dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred under Section 806(c).

(b) Not later than 10 days after the filing of an application under subsection (a), the dissolved limited partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the partnership.

(c) In a proceeding brought under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited partnership.

(d) A dissolved limited partnership that provides security in the amount and form ordered by the court under subsection (a) satisfies the partnership's obligations with respect to claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a partner or transferee that received assets in liquidation.

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

SECTION 809 810. ADMINISTRATIVE DISSOLUTION.

(a) The [Secretary of State] may commence a proceeding under subsections (b) and (c) to dissolve a limited partnership administratively if the ~~limited~~ partnership does not, ~~within 60 days~~ after the due date:

1 (1) pay any fee, tax, or penalty ~~due~~ required to be paid to the [Secretary of State]
2 ~~under this [Act] or other law~~ not later than [six months] after it is due; or

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

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

6 (b) If the [Secretary of State] determines that ~~a ground exists~~ one or more grounds exist
7 for administratively dissolving a limited partnership, the [Secretary of State] shall ~~file a record of~~
8 ~~the determination and serve the limited partnership with a copy of the filed record~~ with notice in
9 a record of the [Secretary of State's] determination.

10 (c) If ~~within 60~~ a limited partnership, not later than [60] days after service of the ~~copy the~~
11 ~~limited partnership~~ notice under subsection (b), does not correct cure each ground for dissolution
12 or demonstrate to the ~~reasonable~~ satisfaction of the [Secretary of State] that each ground
13 determined by the [Secretary of State] does not exist, the [Secretary of State] shall
14 administratively dissolve the limited partnership by ~~preparing, signing and filing a declaration~~
15 statement of administrative dissolution that states recites the grounds for dissolution and the
16 effective date of dissolution. The [Secretary of State] shall file the statement and serve a copy on
17 the limited partnership with a copy of the filed declaration pursuant to Section 209.

18 (d) A limited partnership that is administratively dissolved continues ~~its~~ in existence as an
19 entity but may not carry on ~~only~~ any activities except as necessary to wind up its activities and
20 affairs and liquidate its assets under Sections ~~803 and 812~~ 802, 806, 807, 808, and 814 ~~and to~~
21 ~~notify claimants under Sections 806 and 807~~ or to apply for reinstatement under Section 811.

22 (e) The administrative dissolution of a limited partnership does not terminate the
23 authority of its registered agent ~~for service of process.~~

1 **SECTION ~~810~~ 811. REINSTATEMENT FOLLOWING ADMINISTRATIVE**
2 **DISSOLUTION.**

3 (a) A limited partnership that ~~has been~~ is administratively dissolved under Section 810
4 may apply to the [Secretary of State] for reinstatement within two years [not later than [two]
5 years after the effective date of dissolution]. The application must ~~be delivered to the [Secretary~~
6 ~~of State] for filing and~~ state:

7 (1) the name of the ~~limited~~ partnership at the time of its administrative dissolution
8 and, if needed, a different name that satisfies Section 108;

9 (2) the address of the principal office of the partnership and the name and address
10 of its registered agent; and

11 (3) the effective date of its administrative the partnership's administrative
12 dissolution; and

13 (2) (4) that the grounds for dissolution either did not exist or have been eliminated
14 cured; and

15 (3) ~~that the limited partnership's name satisfies the requirements of Section 108.~~

16 (b) To be reinstated, a limited partnership must pay all fees, taxes, interest, and penalties
17 that were due to the [Secretary of State] at the time of its administrative dissolution and all fees,
18 taxes, interest, and penalties that would have been due to the [Secretary of State] while the
19 limited partnership was administratively dissolved.

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

24 (1) cancel the statement of administrative dissolution and prepare a statement

1 ~~declaration~~ of reinstatement that states ~~this~~ the [Secretary of State's] determination and the
2 effective date of reinstatement, sign, and

3 (2) file the original of the declaration of reinstatement, the statement; and

4 (3) serve a copy on the limited partnership with a copy.

5 ~~(e)~~ (d) When reinstatement ~~becomes~~ under this section is effective, the following rules
6 apply:

7 (1) ~~it~~ The restatement relates back to and takes effect as of the effective date of
8 the administrative dissolution, ~~and the,~~

9 (2) The limited partnership ~~may resume its activities~~ resumes carrying on its
10 activities and affairs as if the administrative dissolution had ~~never~~ not occurred.

11 (3) The rights of a person arising out of an act or omission in reliance on the
12 dissolution before the person knew or had notice of the reinstatement are not affected.

13 **SECTION ~~811~~ 812. APPEAL FROM JUDICIAL REVIEW OF DENIAL OF**
14 **REINSTATEMENT.**

15 (a) If the [Secretary of State] denies a limited partnership's application for reinstatement
16 following administrative dissolution, the [Secretary of State] shall serve the partnership with
17 prepare, sign and file a notice in a record that explains the ~~reason or~~ reasons for the denial ~~and~~
18 ~~serve the limited partnership with a copy of the notice.~~

19 ~~(b) Within 30 days after service of the notice of denial, the limited partnership may~~
20 ~~appeal from the denial of reinstatement by petitioning the [appropriate court] to set aside the~~
21 ~~dissolution. The petition must be served on the [Secretary of State] and contain a copy of the~~
22 ~~[Secretary of State's] declaration of dissolution, the limited partnership's application for~~
23 ~~reinstatement, and the [Secretary of State's] notice of denial.~~

24 ~~(c) The court may summarily order the [Secretary of State] to reinstate the dissolved~~

1 ~~limited partnership or may take other action the court considers appropriate.~~

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

4 **SECTION ~~812~~ 813. DISPOSITION OF ASSETS IN WINDING UP; WHEN**
5 **CONTRIBUTIONS REQUIRED.**

6 (a) In winding up ~~a limited partnership's~~ its activities and affairs, a limited partnership
7 shall apply its ~~the~~ assets ~~of the limited partnership~~, including the contributions required by this
8 section, ~~must be applied to satisfy the limited partnership's~~ to discharge the partnership's
9 obligations to creditors, including, ~~to the extent permitted by law~~, partners that are creditors.

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

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

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

18 (c) If a limited partnership's assets are insufficient to satisfy all of its obligations under
19 subsection (a), with respect to each unsatisfied obligation incurred when the ~~limited~~ partnership
20 was not a limited liability limited partnership, the following rules apply:

21 (1) Each person that was a general partner when the obligation was incurred and
22 that has not been released from the obligation under Section 607 shall contribute to the limited
23 partnership for the purpose of enabling the limited partnership to satisfy the obligation. The
24 contribution due from each of those persons is in proportion to the right to receive distributions

1 in the capacity of general partner in effect for each of those persons when the obligation was
2 incurred.

3 (2) If a person does not contribute the full amount required under paragraph (1)
4 with respect to an unsatisfied obligation of the ~~limited~~ partnership, the other persons required to
5 contribute by paragraph (1) on account of the obligation shall contribute the additional amount
6 necessary to discharge the obligation. The additional contribution due from each of those other
7 persons is in proportion to the right to receive distributions in the capacity of general partner in
8 effect for each of those other persons when the obligation was incurred.

9 (3) If a person does not make the additional contribution required by paragraph
10 (2), further additional contributions are determined and due in the same manner as provided in
11 that paragraph.

12 (d) A person that makes an additional contribution under subsection (c)(2) or (3) may
13 recover from any person whose failure to contribute under subsection (c)(1) or (2) necessitated
14 the additional contribution. A person may not recover under this subsection more than the
15 amount additionally contributed. A person's liability under this subsection may not exceed the
16 amount the person failed to contribute.

17 (e) If a limited partnership does not have sufficient surplus to comply with subsection
18 (b)(1), any surplus must be distributed among the owners of transferable interests in proportion
19 to the value of the respective unreturned contributions.

20 (f) All distributions made under subsections (b) and (c) must be paid in money.

21 ~~The estate of a deceased individual is liable for the person's obligations under this~~
22 ~~section.~~

23 ~~(f) An assignee for the benefit of creditors of a limited partnership or a partner, or a~~
24 ~~person appointed by a court to represent creditors of a limited partnership or a partner, may~~

1 ~~enforce a person's obligation to contribute under subsection (c).~~

2 [ARTICLE] 9

3 FOREIGN LIMITED PARTNERSHIPS

4 SECTION 901. GOVERNING LAW.

5 (a) The ~~laws~~ law of the ~~State or other~~ jurisdiction ~~under which~~ of formation of a foreign
6 limited partnership is ~~organized govern~~ formed governs:

7 (1) the internal affairs of the partnership; and
8 ~~relations among the partners of the foreign limited partnership and between the partners~~
9 ~~and the foreign limited partnership and~~

10 (2) the liability of ~~partners as partners~~ a partner as partner ~~for an~~ a debt,
11 obligation, or liability of the ~~foreign limited~~ partnership.

12 (b) A foreign limited partnership ~~may~~ is not be denied a certificate of authority by reason
13 precluded from registering to do business in this state because of any difference between the
14 ~~laws~~ law of the jurisdiction ~~under which the foreign limited partnership is organized~~ of
15 formation and the ~~laws~~ law of this ~~State~~ state.

16 (c) ~~A certificate of authority~~ Registration of a foreign limited partnership to do business
17 in this state does not authorize a the foreign limited partnership to engage in any ~~business~~
18 activities and affairs or exercise any power that a domestic limited partnership may not engage in
19 or exercise in this ~~State~~ state.

20 SECTION 902. APPLICATION FOR CERTIFICATE OF AUTHORITY.

21 ~~(a) A foreign limited partnership may apply for a certificate of authority to transact~~
22 ~~business in this State by delivering an application to the [Secretary of State] for filing. The~~
23 ~~application must state:~~

24 ~~(1) the name of the foreign limited partnership and, if the name does not comply~~

1 ~~with Section 108, an alternate name adopted pursuant to Section 905(a);~~

2 ~~(2) the name of the State or other jurisdiction under whose law the foreign limited~~
3 ~~partnership is organized;~~

4 ~~(3) the street and mailing address of the foreign limited partnership's principal~~
5 ~~office and, if the laws of the jurisdiction under which the foreign limited partnership is organized~~
6 ~~require the foreign limited partnership to maintain an office in that jurisdiction, the street and~~
7 ~~mailing address of the required office;~~

8 ~~(4) the name and street and mailing address of the foreign limited partnership's~~
9 ~~initial agent for service of process in this State;~~

10 ~~(5) the name and street and mailing address of each of the foreign limited~~
11 ~~partnership's general partners; and~~

12 ~~(6) whether the foreign limited partnership is a foreign limited liability limited~~
13 ~~partnership.~~

14 ~~(b) A foreign limited partnership shall deliver with the completed application a certificate~~
15 ~~of existence or a record of similar import signed by the [Secretary of State] or other official~~
16 ~~having custody of the foreign limited partnership's publicly filed records in the State or other~~
17 ~~jurisdiction under whose law the foreign limited partnership is organized.~~

18 **SECTION 902. REGISTRATION TO DO BUSINESS IN THIS STATE.**

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

21 (b) A foreign limited partnership doing business in this state may not maintain an action
22 or proceeding in this state unless it is registered to do business in this state.

23 (c) The failure of a foreign limited partnership to register to do business in this state does
24 not impair the validity of a contract or act of the partnership or preclude it from defending an

action or proceeding in this state.

(d) A limitation on the liability of a general partner or limited partners of a foreign limited partnership is not waived solely because a partnership does business in this state without registering to do business in this state.

(e) Section 901(a) and (b) applies even if the foreign limited partnership fails to register under this [article].

SECTION 903. FOREIGN REGISTRATION STATEMENT. To register to do business in this state, a foreign limited partnership must deliver a foreign registration statement to the [Secretary of State] for filing. The statement must state:

(1) the name of the partnership and, if the name does not comply with Section 108, an alternate name adopted pursuant to Section 906(a);

(2) that the partnership is a foreign limited partnership;

(3) the name of the partnership's jurisdiction of formation;

(4) the street and mailing addresses of the partnership's principal office and, if the law of the partnership's jurisdiction of formation requires the partnership to maintain an office in that jurisdiction, the street and mailing addresses of the required office; and

(5) the name and street and mailing addresses of the partnership's registered agent in this state.

SECTION 904. AMENDMENT OF FOREIGN REGISTRATION STATEMENT.

A registered foreign limited partnership shall deliver to the [Secretary of State] for filing an amendment to its foreign registration statement if there is a change in:

(1) the name of the partnership;

(2) the partnership's jurisdiction of formation;

(3) an address required by Section 903(4); or

1 (4) the information required by Section 903(5).

2 **SECTION ~~903~~ 905. ACTIVITIES NOT CONSTITUTING TRANSACTING**

3 **DOING BUSINESS.**

4 (a) Activities of a foreign limited partnership which do not constitute ~~transacting~~ doing
5 business in this ~~State~~ state ~~within~~ under ~~the meaning of~~ this [article] include:

6 (1) maintaining, defending, mediating, arbitrating, and settling an action or
7 proceeding;

8 (2) ~~holding meetings of its partners or~~ carrying on any ~~other~~ activity concerning
9 its internal affairs, including meetings of its partners;

10 (3) maintaining accounts in financial institutions;

11 (4) maintaining offices or agencies for the transfer, exchange, and registration of
12 securities of the foreign limited partnership's partnership ~~own securities~~ or maintaining trustees
13 or depositories with respect to those securities;

14 (5) selling through independent contractors;

15 (6) soliciting or obtaining orders, ~~whether by mail or electronic means or through~~
16 ~~employees or agents or otherwise~~ by any means, if the orders require acceptance outside this
17 ~~State~~ state before they become contracts;

18 (7) creating or acquiring indebtedness, mortgages, or security interests in ~~real or~~
19 ~~personal~~ property;

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

22 (9) conducting an isolated transaction that is ~~completed within 30 days and is not~~
23 ~~one~~ in the course of similar transactions ~~of a like manner; and~~

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

1 ~~(11) transacting~~ doing business in interstate commerce.

2 ~~(b) For purposes of this [article], the ownership in this State of income-producing real~~
3 ~~property or tangible personal property, other than property excluded under subsection (a),~~
4 ~~constitutes transacting business in this State. *A person does not do business in this state solely by*~~
5 ~~*being a partner of a foreign limited partnership that does business in this state.*~~

6 ~~(c)~~ This section does not apply in determining the contacts or activities that may subject a
7 foreign limited partnership to service of process, taxation, or regulation under ~~any other~~ law of
8 this ~~State~~ state other than this [act].

9 ~~**SECTION 904. FILING OF CERTIFICATE OF AUTHORITY.**~~ Unless the
10 [Secretary of State] determines that an application for a certificate of authority does not comply
11 with the filing requirements of this [Act], the [Secretary of State], upon payment of all filing
12 fees, shall file the application, prepare, sign and file a certificate of authority to transact business
13 in this State, and send a copy of the filed certificate, together with a receipt for the fees, to the
14 foreign limited partnership or its representative.

15 ~~**SECTION 905**~~ **906. NONCOMPLYING NAME OF FOREIGN LIMITED**
16 **PARTNERSHIP.**

17 (a) A foreign limited partnership whose name does not comply with Section 108 may not
18 ~~obtain a certificate of authority~~ register to do business in this state until it adopts, for the purpose
19 of ~~transacting~~ doing business in this ~~State~~ state, an alternate name that complies with Section
20 108. A registered foreign limited partnership that ~~adopts~~ registers under an alternate name under
21 this subsection ~~and then obtains a certificate of authority with the name~~ need not comply with
22 [this state's assumed or fictitious name statute]. After ~~obtaining a certificate of authority~~
23 registering to do business in this state with an alternate name, a registered foreign limited
24 partnership shall ~~transact~~ do business in this ~~State~~ state under:

1 (1) the alternate name;

2 (2) the partnership's name, with the addition of its jurisdiction of formation; or

3 (3) unless an assumed or fictitious name the foreign limited partnership is

4 authorized to use under [the state's assumed or fictitious name statute] ~~to transact business in this~~

5 ~~State under another name.~~

6 (b) If a registered foreign limited partnership ~~authorized to transact business in this State~~

7 changes its name to one that does not comply with Section 108, it may not ~~thereafter transact~~ do

8 business in this ~~State~~ state until it complies with subsection (a) ~~and obtains an amended~~

9 ~~certificate of authority~~ by amending its registration to adopt an alternate name that complies with

10 Section 108.

11 **SECTION 907. WITHDRAWAL DEEMED ON CONVERSION TO DOMESTIC**

12 **FILING ENTITY OR DOMESTIC LIMITED LIABILITY PARTNERSHIP.** A registered

13 foreign limited partnership that converts to a domestic limited liability partnership or to a

14 domestic entity that is organized, incorporated, or otherwise formed through the delivery of a

15 record to the [Secretary of State] for filing is deemed to have withdrawn its registration on the

16 effective date of the conversion.

17 **SECTION 908. WITHDRAWAL ON DISSOLUTION OR CONVERSION TO**

18 **NONFILING ENTITY OTHER THAN LIMITED LIABILITY PARTNERSHIP.**

19 (a) A registered foreign limited partnership that has dissolved and completed winding up

20 or has converted to a domestic or foreign entity that is not organized, incorporated, or otherwise

21 formed through the public filing of a record, other than a limited liability partnership, shall

22 deliver a statement of withdrawal to the [Secretary of State] for filing. The statement must state:

23 (1) in the case of a partnership that has completed winding up:

24 (A) its name and jurisdiction or formation;

1 (B) that the partnership surrenders its registration to do business in this
2 state as a registered foreign limited partnership; and

3 (2) in the case of a foreign limited partnership that has converted:

4 (A) the name of the converting partnership and its jurisdiction of
5 formation;

6 (B) the type of entity to which the partnership has converted and its
7 jurisdiction of formation;

8 (C) that the converted entity surrenders its registration to do business in
9 this state as a registered entity and revokes the authority of the converting limited partnership's
10 registered agent to act as registered agent in this state on the behalf of the partnership or the
11 converted entity; and

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

14 (b) After a withdrawal under this section of a foreign limited partnership that has
15 converted to another type of entity, service of process in any action or proceeding based on a
16 cause of action arising during the time the partnership was registered to do business in this state
17 may be made pursuant to Section 120.

18 **SECTION 909. TRANSFER OF REGISTRATION.**

19 (a) When a registered foreign limited partnership has merged into a foreign entity that is
20 not registered to do business in this state or has converted to a foreign entity required to register
21 with the [Secretary of State] to do business in this state, the foreign entity shall deliver to the
22 [Secretary of State] for filing an application for transfer of registration. The application must
23 state:

24 (1) the name of the registered foreign limited partnership before the merger or

1 conversion;

2 (2) that before the merger or conversion the registration pertained to a foreign
3 limited partnership;

4 (3) the name of the applicant foreign entity into which the foreign limited
5 partnership has merged or to which it has been converted, and, if the name does not comply with
6 Section 108, an alternate name adopted pursuant to Section 906(a);

7 (4) the type of entity of the applicant foreign entity and its jurisdiction of
8 formation;

9 (5) the street and mailing addresses of the principal office of the applicant foreign
10 entity and, if the law of the entity's jurisdiction of formation requires the entity to maintain an
11 office in that jurisdiction, the street and mailing addresses of that office; and

12 (6) the name and street and mailing addresses of the applicant foreign entity's
13 registered agent in this state.

14 (b) When an application for transfer of registration takes effect, the registration of the
15 foreign limited partnership to do business in this state is transferred without interruption to the
16 foreign entity into which the partnership has merged or to which it has been converted.

17 **SECTION 906 910. REVOCATION OF CERTIFICATE OF AUTHORITY**
18 **TERMINATION OF REGISTRATION.**

19 (a) ~~A certificate of authority~~ The [Secretary of State] may terminate the registration of a
20 registered foreign limited partnership to ~~transact~~ do business in this ~~State~~ state ~~may be revoked~~
21 ~~by the [Secretary of State]~~ in the manner provided in subsections (b) and (c) if the foreign limited
22 partnership does not:

23 (1) pay, ~~within~~ not later than [60 days] after the due date, any fee, tax, interest, or
24 penalty ~~due~~ required to be paid to the [Secretary of State] under this ~~Act~~ act or ~~other~~ law

1 other than this [act];

2 (2) deliver to the [Secretary of State] for filing, within not later than [60 days]
3 after the due date, its an [annual] [biennial] report required under Section 210;

4 (3) ~~appoint and maintain an~~ have a registered agent ~~for service of process~~ as
5 required by Section ~~114(b)~~ 116; or

6 (4) deliver to the [Secretary of State] for filing a statement of a change under
7 Section ~~115~~ within 117 not later than 30 days after a change has occurred in the name or address
8 of the registered agent.

9 (b) ~~In order to revoke a certificate of authority, the~~ The [Secretary of State] may
10 terminate the registration of a registered foreign limited partnership by:

11 (1) filing a notice of termination or noting the termination in the records of the
12 [Secretary of State] and

13 (2) ~~delivering must prepare, sign, and file a notice of revocation and send~~ a copy
14 of the notice or the information in the notation to the ~~foreign limited~~ partnership's registered
15 agent ~~for service of process in this State~~, or if the ~~foreign limited~~ partnership does not ~~appoint~~
16 ~~and maintain a proper~~ have a registered agent ~~in this State~~, to the ~~foreign limited~~ partnership's
17 designated principal office.

18 (c) The notice must state or the information in the notation ~~must state~~ include:

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

21 (2) ~~the foreign limited partnership's failures to comply with subsection (a) which~~
22 ~~are the reason for the revocation~~ the grounds for termination under subsection (a).

23 (d) The authority of the registered foreign limited partnership to ~~transact~~ ~~do~~ business
24 in this state ceases on the effective date of the notice of ~~revocation~~ termination or notation under

1 subsection (b), unless before that date the *foreign limited* partnership cures each failure to
2 comply with subsection (a) stated in the notice ground for termination stated in the notice or
3 notation. If the foreign limited partnership cures ~~the failures~~ each ground, the [Secretary of
4 State] shall ~~so indicate on the filed notice~~ file a record so stating.

5 **SECTION 907. CANCELLATION OF CERTIFICATE OF AUTHORITY;**
6 **EFFECT OF FAILURE TO HAVE CERTIFICATE.**

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

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

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

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

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

1 **SECTION 911. WITHDRAWAL OF REGISTRATION OF REGISTERED**
2 **FOREIGN LIMITED PARTNERSHIP.**

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

6 (1) the name of the partnership and its jurisdiction of formation;

7 (2) that the partnership is not doing business in this state and that it withdraws its
8 registration to do business in this state;

9 (3) that the partnership revokes the authority of its registered agent to accept
10 service on its behalf in this state; and

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

12 (b) After the withdrawal of the registration of a partnership, service of process in any
13 action or proceeding based on a cause of action arising during the time the partnership was
14 registered to do business in this state may be made pursuant to Section 120.

15 **SECTION ~~908~~ 912. ACTION BY [ATTORNEY GENERAL].** The [Attorney General]
16 may maintain an action to ~~restrain~~ enjoin a foreign limited partnership from ~~transacting~~ doing
17 business in this ~~State~~ state in violation of this [article].

18 **[ARTICLE] 10**

19 **ACTIONS BY PARTNERS**

20 **SECTION 1001. DIRECT ACTION BY PARTNER.**

21 (a) Subject to subsection (b), a partner may maintain a direct action against another
22 partner or the limited partnership ~~or another partner for legal or equitable relief~~, with or without
23 an accounting as to the partnership's activities and affairs, to enforce the partner's rights and
24 otherwise protect the partner's interests ~~of the partner~~, including rights and interests under the

1 partnership agreement or this [act] or arising independently of the partnership relationship.

2 (b) A partner ~~commencing~~ maintaining a direct action under this section ~~is required to~~
3 must plead and prove an actual or threatened injury that is not solely the result of an injury
4 suffered or threatened to be suffered by the limited partnership.

5 (c) ~~The accrual of, and any time limitation on, a right of action for a remedy under this~~
6 ~~section is governed by other law.~~ A right to an accounting upon a dissolution and winding up
7 does not revive a claim barred by law.

8 **SECTION 1002. DERIVATIVE ACTION.** A partner may maintain a derivative
9 action to enforce a right of a limited partnership if:

10 (1) the partner first makes a demand on the general partners, requesting that they cause
11 the ~~limited~~ partnership to bring an action to enforce the right, and the general partners do not
12 bring the action within a reasonable time; or

13 (2) a demand under paragraph (1) would be futile.

14 **SECTION 1003. PROPER PLAINTIFF.** A derivative action to enforce a right of a
15 limited partnership may be maintained only by a person that is a partner at the time the action is
16 commenced and:

17 (1) ~~that~~ which was a partner when the conduct giving rise to the action occurred; or

18 (2) whose status as a partner devolved ~~upon~~ on the person by operation of law or pursuant
19 to the terms of the partnership agreement from a person that was a partner at the time of the
20 conduct.

21 **SECTION 1004. PLEADING.** In a derivative action to enforce a right of a limited
22 partnership, the complaint must state with particularity:

23 (1) the date and content of plaintiff's demand and the ~~general partners'~~ response to the
24 demand by the general partner; or

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

2 **SECTION 1005. SPECIAL LITIGATION COMMITTEE.**

3 (a) If a limited partnership is named as or made a party in a derivative proceeding, the
4 partnership may appoint a special litigation committee to investigate the claims asserted in the
5 proceeding and determine whether pursuing the action is in the best interests of the partnership.
6 If the partnership appoints a special litigation committee, on motion by the committee made in
7 the name of the partnership, except for good cause shown, the court shall stay discovery for the
8 time reasonably necessary to permit the committee to make its investigation. This subsection
9 does not prevent the court from enforcing a person's right to information under Section 304 or
10 407 or, for good cause shown, granting extraordinary relief in the form of a temporary
11 restraining order or preliminary injunction.

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

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

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

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

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

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

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

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

24 (4) be dismissed.

1 (e) After making a determination under subsection (d), a special litigation committee
2 shall file with the court a statement of its determination and its report supporting its
3 determination and shall serve each party with a copy of the determination and report. The court
4 shall determine whether the members of the committee were disinterested and independent and
5 whether the committee conducted its investigation and made its recommendation in good faith,
6 independently, and with reasonable care, with the committee having the burden of proof. If the
7 court finds that the members of the committee were disinterested and independent and that the
8 committee acted in good faith, independently, and with reasonable care, the court shall enforce
9 the determination of the committee. Otherwise, the court shall dissolve the stay of discovery
10 entered under subsection (a) and allow the action to proceed under the direction of the plaintiff.

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

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

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

16 (2) if the ~~derivative~~ plaintiff receives any proceeds, the ~~derivative~~ plaintiff shall
17 ~~immediately~~ remit them immediately to the ~~limited~~ partnership.

18 (b) If a derivative action is successful in whole or in part, the court may award the
19 plaintiff reasonable expenses, including reasonable attorney's fees and costs, from the recovery
20 of the limited partnership.

21 (c) A derivative action on behalf of a limited partnership may not be voluntarily
22 dismissed or settled without the court's approval.

1 [ARTICLE] 11

2 **CONVERSION AND MERGER, INTEREST EXCHANGE, CONVERSION, AND**

3 **DOMESTICATION**

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

5 (1) “Constituent limited partnership” means a constituent organization that is a limited
6 partnership.

7 (2) “Constituent organization” means an organization that is party to a merger.

8 (3) “Converted organization” means the organization into which a converting
9 organization converts pursuant to Sections 1102 through 1105.

10 (4) “Converting limited partnership” means a converting organization that is a limited
11 partnership.

12 (5) “Converting organization” means an organization that converts into another
13 organization pursuant to Section 1102.

14 (6) “General partner” means a general partner of a limited partnership.

15 (7) “Governing statute” of an organization means the statute that governs the
16 organization’s internal affairs.

17 (8) “Organization” means a general partnership, including a limited liability partnership;
18 limited partnership, including a limited liability limited partnership; limited liability company;
19 business trust; corporation; or any other person having a governing statute. The term includes
20 domestic and foreign organizations whether or not organized for profit.

21 (9) “Organizational documents” means:

22 (A) for a domestic or foreign general partnership, its partnership agreement;

23 (B) for a limited partnership or foreign limited partnership, its certificate of
24 limited partnership and partnership agreement;

1 ~~(C) for a domestic or foreign limited liability company, its articles of organization~~
2 ~~and operating agreement, or comparable records as provided in its governing statute;~~

3 ~~(D) for a business trust, its agreement of trust and declaration of trust;~~

4 ~~(E) for a domestic or foreign corporation for profit, its articles of incorporation,~~
5 ~~bylaws, and other agreements among its shareholders which are authorized by its governing~~
6 ~~statute, or comparable records as provided in its governing statute; and~~

7 ~~(F) for any other organization, the basic records that create the organization and~~
8 ~~determine its internal governance and the relations among the persons that own it, have an~~
9 ~~interest in it, or are members of it.~~

10 ~~(10) “Personal liability” means personal liability for a debt, liability, or other obligation~~
11 ~~of an organization which is imposed on a person that co-owns, has an interest in, or is a member~~
12 ~~of the organization:~~

13 ~~(A) by the organization’s governing statute solely by reason of the person co-~~
14 ~~owning, having an interest in, or being a member of the organization; or~~

15 ~~(B) by the organization’s organizational documents under a provision of the~~
16 ~~organization’s governing statute authorizing those documents to make one or more specified~~
17 ~~persons liable for all or specified debts, liabilities, and other obligations of the organization~~
18 ~~solely by reason of the person or persons co-owning, having an interest in, or being a member of~~
19 ~~the organization.~~

20 ~~(11) “Surviving organization” means an organization into which one or more other~~
21 ~~organizations are merged. A surviving organization may preexist the merger or be created by the~~
22 ~~merger.~~

23 **SECTION 1102. CONVERSION.**

24 ~~(a) An organization other than a limited partnership may convert to a limited partnership,~~

~~and a limited partnership may convert to another organization pursuant to this section and Sections 1103 through 1105 and a plan of conversion, if:~~

- ~~(1) the other organization's governing statute authorizes the conversion;~~
- ~~(2) the conversion is not prohibited by the law of the jurisdiction that enacted the governing statute; and~~
- ~~(3) the other organization complies with its governing statute in effecting the conversion.~~

~~(b) A plan of conversion must be in a record and must include:~~

- ~~(1) the name and form of the organization before conversion;~~
- ~~(2) the name and form of the organization after conversion;~~
- ~~(3) the terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into any combination of money, interests in the converted organization, and other consideration; and~~
- ~~(4) the organizational documents of the converted organization.~~

SECTION 1103. ACTION ON PLAN OF CONVERSION BY CONVERTING LIMITED PARTNERSHIP.

~~(a) Subject to Section 1110, a plan of conversion must be consented to by all the partners of a converting limited partnership.~~

~~(b) Subject to Section 1110 and any contractual rights, after a conversion is approved, and at any time before a filing is made under Section 1104, a converting limited partnership may amend the plan or abandon the planned conversion:~~

- ~~(1) as provided in the plan; and~~
- ~~(2) except as prohibited by the plan, by the same consent as was required to approve the plan.~~

1 **SECTION 1104. FILINGS REQUIRED FOR CONVERSION; EFFECTIVE**
2 **DATE.**

3 ~~(a) After a plan of conversion is approved:~~

4 ~~(1) a converting limited partnership shall deliver to the [Secretary of State] for~~
5 ~~filing articles of conversion, which must include:~~

6 ~~(A) a statement that the limited partnership has been converted into~~
7 ~~another organization;~~

8 ~~(B) the name and form of the organization and the jurisdiction of its~~
9 ~~governing statute;~~

10 ~~(C) the date the conversion is effective under the governing statute of the~~
11 ~~converted organization;~~

12 ~~(D) a statement that the conversion was approved as required by this~~
13 ~~[Act];~~

14 ~~(E) a statement that the conversion was approved as required by the~~
15 ~~governing statute of the converted organization; and~~

16 ~~(F) if the converted organization is a foreign organization not authorized~~
17 ~~to transact business in this State, the street and mailing address of an office which the [Secretary~~
18 ~~of State] may use for the purposes of Section 1105(c); and~~

19 ~~(2) if the converting organization is not a converting limited partnership, the~~
20 ~~converting organization shall deliver to the [Secretary of State] for filing a certificate of limited~~
21 ~~partnership, which must include, in addition to the information required by Section 201:~~

22 ~~(A) a statement that the limited partnership was converted from another~~
23 ~~organization;~~

24 ~~(B) the name and form of the organization and the jurisdiction of its~~

1 ~~governing statute; and~~

2 ~~(C) a statement that the conversion was approved in a manner that~~
3 ~~complied with the organization's governing statute.~~

4 ~~(b) A conversion becomes effective:~~

5 ~~(1) if the converted organization is a limited partnership, when the certificate of~~
6 ~~limited partnership takes effect; and~~

7 ~~(2) if the converted organization is not a limited partnership, as provided by the~~
8 ~~governing statute of the converted organization.~~

9 **SECTION 1105. EFFECT OF CONVERSION.**

10 ~~(a) An organization that has been converted pursuant to this [article] is for all purposes~~
11 ~~the same entity that existed before the conversion.~~

12 ~~(b) When a conversion takes effect:~~

13 ~~(1) all property owned by the converting organization remains vested in the~~
14 ~~converted organization;~~

15 ~~(2) all debts, liabilities, and other obligations of the converting organization~~
16 ~~continue as obligations of the converted organization;~~

17 ~~(3) an action or proceeding pending by or against the converting organization may~~
18 ~~be continued as if the conversion had not occurred;~~

19 ~~(4) except as prohibited by other law, all of the rights, privileges, immunities,~~
20 ~~powers, and purposes of the converting organization remain vested in the converted~~
21 ~~organization;~~

22 ~~(5) except as otherwise provided in the plan of conversion, the terms and~~
23 ~~conditions of the plan of conversion take effect; and~~

24 ~~(6) except as otherwise agreed, the conversion does not dissolve a converting~~

1 ~~limited partnership for the purposes of [Article] 8.~~

2 ~~(c) A converted organization that is a foreign organization consents to the jurisdiction of~~
3 ~~the courts of this State to enforce any obligation owed by the converting limited partnership, if~~
4 ~~before the conversion the converting limited partnership was subject to suit in this State on the~~
5 ~~obligation. A converted organization that is a foreign organization and not authorized to transact~~
6 ~~business in this State appoints the [Secretary of State] as its agent for service of process for~~
7 ~~purposes of enforcing an obligation under this subsection. Service on the [Secretary of State]~~
8 ~~under this subsection is made in the same manner and with the same consequences as in Section~~
9 ~~117(c) and (d).~~

10 **SECTION 1106. MERGER.**

11 ~~(a) A limited partnership may merge with one or more other constituent organizations~~
12 ~~pursuant to this section and Sections 1107 through 1109 and a plan of merger, if:~~

13 ~~(1) the governing statute of each of the other organizations authorizes the merger;~~

14 ~~(2) the merger is not prohibited by the law of a jurisdiction that enacted any of~~
15 ~~those governing statutes; and~~

16 ~~(3) each of the other organizations complies with its governing statute in effecting~~
17 ~~the merger.~~

18 ~~(b) A plan of merger must be in a record and must include:~~

19 ~~(1) the name and form of each constituent organization;~~

20 ~~(2) the name and form of the surviving organization and, if the surviving~~
21 ~~organization is to be created by the merger, a statement to that effect;~~

22 ~~(3) the terms and conditions of the merger, including the manner and basis for~~
23 ~~converting the interests in each constituent organization into any combination of money, interests~~
24 ~~in the surviving organization, and other consideration;~~

~~(4) if the surviving organization is to be created by the merger, the surviving organization's organizational documents; and~~

~~(5) if the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents.~~

SECTION 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED PARTNERSHIP.

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

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

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

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

SECTION 1108. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE.

~~(a) After each constituent organization has approved a merger, articles of merger must be signed on behalf of:~~

~~(1) each preexisting constituent limited partnership, by each general partner listed in the certificate of limited partnership; and~~

~~(2) each other preexisting constituent organization, by an authorized representative.~~

~~(b) The articles of merger must include:~~

~~(1) the name and form of each constituent organization and the jurisdiction of its governing statute;~~

1 ~~(2) the name and form of the surviving organization, the jurisdiction of its~~
2 ~~governing statute, and, if the surviving organization is created by the merger, a statement to that~~
3 ~~effect;~~

4 ~~(3) the date the merger is effective under the governing statute of the surviving~~
5 ~~organization;~~

6 ~~(4) if the surviving organization is to be created by the merger:~~

7 ~~(A) if it will be a limited partnership, the limited partnership's certificate~~
8 ~~of limited partnership; or~~

9 ~~(B) if it will be an organization other than a limited partnership, the~~
10 ~~organizational document that creates the organization;~~

11 ~~(5) if the surviving organization preexists the merger, any amendments provided~~
12 ~~for in the plan of merger for the organizational document that created the organization;~~

13 ~~(6) a statement as to each constituent organization that the merger was approved~~
14 ~~as required by the organization's governing statute;~~

15 ~~(7) if the surviving organization is a foreign organization not authorized to~~
16 ~~transact business in this State, the street and mailing address of an office which the [Secretary of~~
17 ~~State] may use for the purposes of Section 1109(b); and~~

18 ~~(8) any additional information required by the governing statute of any constituent~~
19 ~~organization.~~

20 ~~(c) Each constituent limited partnership shall deliver the articles of merger for filing in~~
21 ~~the [office of the Secretary of State].~~

22 ~~(d) A merger becomes effective under this [article]:~~

23 ~~(1) if the surviving organization is a limited partnership, upon the later of:~~

24 ~~(A) compliance with subsection (c); or~~

~~(B) subject to Section 206(c), as specified in the articles of merger; or~~
~~(2) if the surviving organization is not a limited partnership, as provided by the~~
~~governing statute of the surviving organization.~~

SECTION 1109. EFFECT OF MERGER.

~~(a) When a merger becomes effective:~~

- ~~(1) the surviving organization continues or comes into existence;~~
- ~~(2) each constituent organization that merges into the surviving organization~~
~~ceases to exist as a separate entity;~~
- ~~(3) all property owned by each constituent organization that ceases to exist vests~~
~~in the surviving organization;~~
- ~~(4) all debts, liabilities, and other obligations of each constituent organization that~~
~~ceases to exist continue as obligations of the surviving organization;~~
- ~~(5) an action or proceeding pending by or against any constituent organization~~
~~that ceases to exist may be continued as if the merger had not occurred;~~
- ~~(6) except as prohibited by other law, all of the rights, privileges, immunities,~~
~~powers, and purposes of each constituent organization that ceases to exist vest in the surviving~~
~~organization;~~
- ~~(7) except as otherwise provided in the plan of merger, the terms and conditions~~
~~of the plan of merger take effect;~~
- ~~(8) except as otherwise agreed, if a constituent limited partnership ceases to exist,~~
~~the merger does not dissolve the limited partnership for the purposes of [Article] 8;~~
- ~~(9) if the surviving organization is created by the merger:~~
 - ~~(A) if it is a limited partnership, the certificate of limited partnership~~
~~becomes effective; or~~

~~(B) if it is an organization other than a limited partnership, the
organizational document that creates the organization becomes effective; and~~

~~(10) if the surviving organization preexists the merger, any amendments provided
for in the articles of merger for the organizational document that created the organization become
effective.~~

~~(b) A surviving organization that is a foreign organization consents to the jurisdiction of
the courts of this State to enforce any obligation owed by a constituent organization, if before the
merger the constituent organization was subject to suit in this State on the obligation. A
surviving organization that is a foreign organization and not authorized to transact business in
this State appoints the [Secretary of State] as its agent for service of process for the purposes of
enforcing an obligation under this subsection. Service on the [Secretary of State] under this
subsection is made in the same manner and with the same consequences as in Section 117(c) and
(d).~~

SECTION 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND MERGERS AND ON RELINQUISHING LLLP STATUS.

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

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

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

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

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

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

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

8 **SECTION 1111. LIABILITY OF GENERAL PARTNER AFTER CONVERSION**
9 **OR MERGER.**

10 ~~(a) A conversion or merger under this [article] does not discharge any liability under~~
11 ~~Sections 404 and 607 of a person that was a general partner in or dissociated as a general partner~~
12 ~~from a converting or constituent limited partnership, but:~~

13 ~~(1) the provisions of this [Act] pertaining to the collection or discharge of the~~
14 ~~liability continue to apply to the liability;~~

15 ~~(2) for the purposes of applying those provisions, the converted or surviving~~
16 ~~organization is deemed to be the converting or constituent limited partnership; and~~

17 ~~(3) if a person is required to pay any amount under this subsection:~~

18 ~~(A) the person has a right of contribution from each other person that was~~
19 ~~liable as a general partner under Section 404 when the obligation was incurred and has not been~~
20 ~~released from the obligation under Section 607; and~~

21 ~~(B) the contribution due from each of those persons is in proportion to the~~
22 ~~right to receive distributions in the capacity of general partner in effect for each of those persons~~
23 ~~when the obligation was incurred.~~

24 ~~(b) In addition to any other liability provided by law:~~

1 ~~(1) a person that immediately before a conversion or merger became effective was~~
2 ~~a general partner in a converting or constituent limited partnership that was not a limited liability~~
3 ~~limited partnership is personally liable for each obligation of the converted or surviving~~
4 ~~organization arising from a transaction with a third party after the conversion or merger becomes~~
5 ~~effective, if, at the time the third party enters into the transaction, the third party:~~

6 ~~(A) does not have notice of the conversion or merger; and~~

7 ~~(B) reasonably believes that:~~

8 ~~(i) the converted or surviving business is the converting or~~
9 ~~constituent limited partnership;~~

10 ~~(ii) the converting or constituent limited partnership is not a limited~~
11 ~~liability limited partnership; and~~

12 ~~(iii) the person is a general partner in the converting or constituent~~
13 ~~limited partnership; and~~

14 ~~(2) a person that was dissociated as a general partner from a converting or~~
15 ~~constituent limited partnership before the conversion or merger became effective is personally~~
16 ~~liable for each obligation of the converted or surviving organization arising from a transaction~~
17 ~~with a third party after the conversion or merger becomes effective, if:~~

18 ~~(A) immediately before the conversion or merger became effective the~~
19 ~~converting or surviving limited partnership was a not a limited liability limited partnership; and~~

20 ~~(B) at the time the third party enters into the transaction less than two~~
21 ~~years have passed since the person dissociated as a general partner and the third party:~~

22 ~~(i) does not have notice of the dissociation;~~

23 ~~(ii) does not have notice of the conversion or merger; and~~

24 ~~(iii) reasonably believes that the converted or surviving~~

1 organization is the converting or constituent limited partnership, the converting or constituent
2 limited partnership is not a limited liability limited partnership, and the person is a general
3 partner in the converting or constituent limited partnership.

4 **SECTION 1112. POWER OF GENERAL PARTNERS AND PERSONS**
5 **DISSOCIATED AS GENERAL PARTNERS TO BIND ORGANIZATION AFTER**
6 **CONVERSION OR MERGER.**

7 (a) An act of a person that immediately before a conversion or merger became effective
8 was a general partner in a converting or constituent limited partnership binds the converted or
9 surviving organization after the conversion or merger becomes effective, if:

10 (1) before the conversion or merger became effective, the act would have bound
11 the converting or constituent limited partnership under Section 402; and

12 (2) at the time the third party enters into the transaction, the third party:

13 (A) does not have notice of the conversion or merger; and

14 (B) reasonably believes that the converted or surviving business is the
15 converting or constituent limited partnership and that the person is a general partner in the
16 converting or constituent limited partnership.

17 (b) An act of a person that before a conversion or merger became effective was
18 dissociated as a general partner from a converting or constituent limited partnership binds the
19 converted or surviving organization after the conversion or merger becomes effective, if:

20 (1) before the conversion or merger became effective, the act would have bound
21 the converting or constituent limited partnership under Section 402 if the person had been a
22 general partner; and

23 (2) at the time the third party enters into the transaction, less than two years have
24 passed since the person dissociated as a general partner and the third party:

~~(A) does not have notice of the dissociation;~~

~~(B) does not have notice of the conversion or merger; and~~

~~(C) reasonably believes that the converted or surviving organization is the~~

~~converting or constituent limited partnership and that the person is a general partner in the~~

~~converting or constituent limited partnership.~~

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

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

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

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

[PART] 1

GENERAL PROVISIONS

SECTION 1101. DEFINITIONS. In this [article]:

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

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

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

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

(5) “Converting entity” means the domestic entity that approves a plan of conversion

1 pursuant to Section 1143 or the foreign entity that approves a conversion pursuant to the law of
2 its jurisdiction of formation.

3 (6) “Distributional interest” means the right under an unincorporated entity’s organic law
4 and organic rules to receive distributions from the entity.

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

7 (8) “Domesticated limited partnership” means the domesticating limited partnership as it
8 continues in existence after a domestication.

9 (9) “Domesticating limited partnership” means the domestic limited partnership that
10 approves a plan of domestication pursuant to Section 1153 or the foreign limited partnership that
11 approves a domestication pursuant to the law of its jurisdiction of formation.

12 (10) “Domestication” means a transaction authorized by [Part] 5.

13 (11) “Entity”:

14 (A) means:

15 (i) a business corporation;

16 (ii) a nonprofit corporation;

17 (iii) a general partnership, including a limited liability partnership;

18 (iv) a limited partnership, including a limited liability limited partnership;

19 (v) a limited liability company;

20 [(vi) a general cooperative association;]

21 (vii) a limited cooperative association;

22 (viii) an unincorporated nonprofit association;

23 (ix) a statutory trust, business trust, or common-law business trust; or

24 (x) any other person that has:

1 (I) a legal existence separate from any interest holder of that
2 person; or
3 (II) the power to acquire an interest in real property in its own
4 name; and

5 (B) does not include:

6 (i) an individual;

7 (ii) a testamentary or inter vivos trust with a predominantly donative
8 purpose, or a charitable trust;

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

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

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

15 [(vi) a person excluded under Section 1109].

16 (12) "Filing entity" means an entity whose formation requires the filing of a public
17 organic record.

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

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

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

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

1 (C) receive notice of or vote on an issue involving the internal affairs of the entity.

2 (15) “Governor” means:

3 (A) a director of a business corporation;

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

5 (C) a general partner of a general partnership;

6 (D) a general partner of a limited partnership;

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

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

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

10 (H) a director of a limited cooperative association;

11 (I) a manager of an unincorporated nonprofit association;

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

13 (K) any other person by or under whose authority the powers of an entity are

14 exercised and under whose direction the activities and affairs of the entity are managed pursuant

15 to the organic law and organic rules of the entity.

16 (16) “Interest” means:

17 (A) a share in a business corporation;

18 (B) a membership in a nonprofit corporation;

19 (C) a partnership interest in a general partnership;

20 (D) a partnership interest in a limited partnership;

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

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

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

24 (H) a membership in an unincorporated nonprofit association;

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

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

5 (17) “Interest exchange” means a transaction authorized by [Part] 3.

6 (18) “Interest holder” means:

7 (A) a shareholder of a business corporation;

8 (B) a member of a nonprofit corporation;

9 (C) a general partner of a general partnership;

10 (D) a general partner of a limited partnership;

11 (E) a limited partner of a limited partnership;

12 (F) a member of a limited liability company;

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

14 (H) a member of a limited cooperative association;

15 (I) a member of an unincorporated nonprofit association;

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

18 (K) any other direct holder of an interest.

19 (19) “Interest holder liability” means:

20 (A) personal liability for a liability of an entity that is imposed on a person:

21 (i) solely by reason of the status of the person as an interest holder; or

22 (ii) by the organic rules of the entity which make one or more specified
23 interest holders or categories of interest holders liable in their capacity as interest holders for all
24 or specified liabilities of the entity; or

1 (B) an obligation of an interest holder under the organic rules of an entity to
2 contribute to the entity.

3 (20) “Jurisdiction of formation” means the jurisdiction whose law includes the organic
4 law of an entity.

5 (21) “Merger” means a transaction authorized by [Part] 2.

6 (22) “Merging entity” means an entity that is a party to a merger and exists immediately
7 before the merger becomes effective.

8 (23) “Organic law” means the law of an entity’s jurisdiction of formation governing the
9 internal affairs of the entity.

10 (24) “Organic rules” means the public organic record and private organic rules of an
11 entity.

12 (25) “Plan” means a plan of merger, plan of interest exchange, plan of conversion, or plan
13 of domestication.

14 (26) “Plan of conversion” means a plan under Section 1142.

15 (27) “Plan of domestication” means a plan under Section 1152.

16 (28) “Plan of interest exchange” means a plan under Section 1132.

17 (29) “Plan of merger” means a plan under Section 1122.

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

21 (A) the bylaws of a business corporation;

22 (B) the bylaws of a nonprofit corporation;

23 (C) the partnership agreement of a general partnership;

24 (D) the partnership agreement of a limited partnership;

1 (E) the operating agreement of a limited liability company;
2 [(F) the bylaws of a general cooperative association;]
3 (G) the bylaws of a limited cooperative association;
4 (H) the governing principles of an unincorporated nonprofit association; and
5 (I) the trust instrument of a statutory trust or similar rules of a business trust or a
6 common-law business trust.

7 (31) “Protected agreement” means:

8 (A) a record evidencing indebtedness and any related agreement in effect on [the
9 effective date of this [act]];

10 (B) an agreement that is binding on an entity on [the effective date of this [act]];

11 (C) the organic rules of an entity in effect on [the effective date of this [act]]; or

12 (D) an agreement that is binding on any of the governors or interest holders of an
13 entity on [the effective date of this [act]].

14 (32) “Public organic record” means the record the filing of which by the [Secretary of
15 State] is required to form an entity and any amendment to or restatement of that record. The
16 term includes:

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

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

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

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

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

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

23 (G) the certificate of trust of a statutory trust or similar record of a business trust.

24 (33) “Registered foreign entity” means a foreign entity that is registered to do business in

1 this state pursuant to a record filed by the [Secretary of State].

2 (34) “Statement of conversion” means a statement under Section 1145.

3 (35) “Statement of domestication” means a statement under Section 1155.

4 (36) “Statement of interest exchange” means a statement under Section 1135.

5 (37) “Statement of merger” means a statement under Section 1125.

6 (38) “Surviving entity” means the entity that continues in existence after or is created by
7 a merger.

8 (39) “Type of entity” means a generic form of entity:

9 (A) recognized at common law; or

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

13 **SECTION 1102. RELATIONSHIP OF [ARTICLE] TO OTHER LAWS.** This
14 [article] does not authorize an act prohibited by, and does not affect the application or
15 requirements of, law other than this [article].

16 **SECTION 1103. REQUIRED NOTICE OR APPROVAL.**

17 (a) A domestic or foreign entity that is required to give notice to, or obtain the approval
18 of, a governmental agency or officer of this state to be a party to a merger must give the notice or
19 obtain the approval to be a party to an interest exchange, conversion, or domestication.

20 (b) Property held for a charitable purpose under the law of this state by a domestic or
21 foreign entity immediately before a transaction under this [article] becomes effective may not, as
22 a result of the transaction, be diverted from the objects for which it was donated, granted,
23 devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this
24 state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity

1 obtains an appropriate order of [the appropriate court] [the Attorney General] specifying the
2 disposition of the property.

3 **SECTION 1104. STATUS OF FILINGS.** A filing under this [article] signed by a
4 domestic entity becomes part of the public organic record of the entity if the entity's organic law
5 provides that similar filings under that law become part of the public organic record of the entity.

6 **SECTION 1105. NONEXCLUSIVITY.** The fact that a transaction under this [article]
7 produces a certain result does not preclude the same result from being accomplished in any other
8 manner permitted by law other than this [article].

9 **SECTION 1106. REFERENCE TO EXTERNAL FACTS.** A plan may refer to facts
10 ascertainable outside the plan if the manner in which the facts will operate upon the plan is
11 specified in the plan. The facts may include the occurrence of an event or a determination or
12 action by a person, whether or not the event, determination, or action is within the control of a
13 party to the transaction.

14 **SECTION 1107. ALTERNATIVE MEANS OF APPROVAL OF**
15 **TRANSACTIONS.** Except as otherwise provided in the organic law or organic rules of a
16 domestic entity, approval of a transaction under this [article] by the unanimous vote or consent of
17 its interest holders satisfies the requirements of this [article] for approval of the transaction.

18 **SECTION 1108. APPRAISAL RIGHTS.**

19 (a) An interest holder of a domestic merging, acquired, converting, or domesticating
20 entity is entitled to appraisal rights in connection with the transaction if the interest holder would
21 have been entitled to appraisal rights under the entity's organic law in connection with a merger
22 in which the interest of the interest holder was changed, converted, or exchanged unless:

23 (1) the organic law permits the organic rules to limit the availability of appraisal
24 rights; and

(2) the organic rules provide such a limit.

(b) An interest holder of a domestic merging, acquired, converting, or domesticating entity is entitled to contractual appraisal rights in connection with a transaction under this [article] to the extent provided in:

(1) the entity's organic rules; or

(2) the plan.

[SECTION 1109. EXCLUDED ENTITIES AND TRANSACTIONS.

(a) The following entities may not participate in a transaction under this [article]:

(1)

(2).

(b) This [article] may not be used to effect a transaction that:

(1)

(2).]

[PART] 2

MERGER

SECTION 1121. MERGER AUTHORIZED.

(a) By complying with this [part]:

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

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

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

1 **SECTION 1122. PLAN OF MERGER.**

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

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

6 (2) if the surviving entity is to be created in the merger, a statement to that effect
7 and the entity's name, jurisdiction of formation, and type of entity;

8 (3) the manner of converting the interests in each party to the merger into
9 interests, securities, obligations, money, other property, rights to acquire interests or securities, or
10 any combination of the foregoing;

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

14 (5) if the surviving entity is to be created in the merger, its proposed public
15 organic record, if any, and the full text of its private organic rules that are proposed to be in a
16 record;

17 (6) the other terms and conditions of the merger; and

18 (7) any other provision required by the law of a merging entity's jurisdiction of
19 formation or the organic rules of a merging entity.

20 (b) In addition to the requirements of subsection (a), a plan of merger may contain any
21 other provision not prohibited by law.

22 **SECTION 1123. APPROVAL OF MERGER.**

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

24 (1) by a domestic merging limited partnership, by all the partners of the limited

1 partnership entitled to vote on or consent to any matter; and

2 (2) in a record, by each partner of a domestic merging limited partnership that will
3 have interest holder liability for debts, obligations, and other liabilities that arise after the merger
4 becomes effective, unless:

5 (A) the partnership agreement of the limited partnership in a record
6 provides for the approval of a merger in which some or all of its partners become subject to
7 interest holder liability by the vote or consent of fewer than all the partners; and

8 (B) the partner consented in a record to or voted for that provision of the
9 partnership agreement or became a partner after the adoption of that provision.

10 (b) A merger involving a domestic merging entity that is not a limited partnership is not
11 effective unless the merger is approved by that entity in accordance with its organic law.

12 (c) A merger involving a foreign merging entity is not effective unless the merger is
13 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of
14 formation.

15 **SECTION 1124. AMENDMENT OR ABANDONMENT OF PLAN OF MERGER.**

16 (a) A plan of merger may be amended only with the consent of each party to the plan,
17 except as otherwise provided in the plan.

18 (b) A domestic merging limited partnership may approve an amendment of a plan of
19 merger:

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

22 (2) by the partners in the manner provided in the plan, but a partner that was
23 entitled to vote on or consent to approval of the merger is entitled to vote on or consent to any
24 amendment of the plan that will change:

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

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

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

10 (c) After a plan of merger has been approved and before a statement of merger becomes
11 effective, the plan may be abandoned as provided in the plan. Unless prohibited by the plan, a
12 domestic merging limited partnership may abandon the plan in the same manner as the plan was
13 approved.

14 (d) If a plan of merger is abandoned after a statement of merger has been delivered to the
15 [Secretary of State] for filing and before the statement becomes effective, a statement of
16 abandonment, signed by a party to the plan, must be delivered to the [Secretary of State] for
17 filing before the statement of merger becomes effective. The statement of abandonment takes
18 effect upon filing, and the merger is abandoned and does not become effective. The statement of
19 abandonment must contain:

20 (1) the name of each party to the plan of merger;

21 (2) the date on which the statement of merger was delivered to the [Secretary of
22 State] for filing; and

23 (3) a statement that the merger has been abandoned in accordance with this
24 section.

1 **SECTION 1125. STATEMENT OF MERGER.**

2 (a) A statement of merger must be signed by each merging entity and delivered to the
3 [Secretary of State] for filing.

4 (b) A statement of merger must contain:

5 (1) the name, jurisdiction of formation, and type of entity of each merging entity
6 that is not the surviving entity;

7 (2) the name, jurisdiction of formation, and type of entity of the surviving entity;

8 (3) a statement that the merger was approved by each domestic merging entity, if
9 any, in accordance with this [part] and by each foreign merging entity, if any, in accordance with
10 the law of its jurisdiction of formation;

11 (4) if the surviving entity exists before the merger and is a domestic filing entity,
12 any amendment to its public organic record approved as part of the plan of merger;

13 (5) if the surviving entity is created by the merger and is a domestic filing entity,
14 its public organic record, as an attachment;

15 (6) if the surviving entity is created by the merger and is a domestic limited
16 liability partnership, its statement of qualification, as an attachment; and

17 (7) if the surviving entity is a foreign entity that is not a registered foreign entity,
18 a mailing address to which the [Secretary of State] may send any process served on the
19 [Secretary of State] pursuant to Section 1126(e).

20 (c) In addition to the requirements of subsection (b), a statement of merger may contain
21 any other provision not prohibited by law.

22 (d) If the surviving entity is a domestic entity, its public organic record, if any, must
23 satisfy the requirements of the law of this state, but the public organic record does not need to be
24 signed.

1 (e) A plan of merger that is signed by all the merging entities and meets all the
2 requirements of subsection (b) may be delivered to the [Secretary of State] for filing instead of a
3 statement of merger and upon filing has the same effect. If a plan of merger is filed as provided
4 in this subsection, references in this [article] to a statement of merger refer to the plan of merger
5 filed under this subsection.

6 **SECTION 1126. EFFECT OF MERGER.**

7 (a) When a merger becomes effective:

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

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

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

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

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

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

17 (A) all its property continues to be vested in it without transfer, reversion,
18 or impairment;

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

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

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

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

1 (A) its public organic record, if any, is amended as provided in the
2 statement of merger; and

3 (B) its private organic rules that are to be in a record, if any, are amended
4 to the extent provided in the plan of merger;

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

6 (A) its public organic record, if any, is effective; and

7 (B) its private organic rules are effective; and

8 (10) the interests in each merging entity which are to be converted in the merger
9 are converted, and the interest holders of those interests are entitled only to the rights provided to
10 them under the plan of merger and to any appraisal rights they have under Section 1108 and the
11 merging entity's organic law.

12 (b) Except as otherwise provided in the organic law or organic rules of a merging entity,
13 the merger does not give rise to any rights that an interest holder, governor, or third party would
14 otherwise have upon a dissolution, liquidation, or winding up of the merging entity.

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

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

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

1 merger became effective.

2 (2) The person does not have interest holder liability under the organic law of the
3 domestic merging entity for any liability that arises after the merger becomes effective.

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

7 (4) The person has whatever rights of contribution from any other person as are
8 provided by law other than this [act], this [act], or the organic rules of the domestic merging
9 entity with respect to any interest holder liability preserved under paragraph (1) as if the merger
10 had not occurred.

11 (e) When a merger becomes effective, a foreign entity that is the surviving entity may be
12 served with process in this state for the collection and enforcement of any debts, obligations, or
13 other liabilities of a domestic merging entity as provided in Section 120.

14 (f) When a merger becomes effective, the registration to do business in this state of any
15 foreign merging entity that is not the surviving entity is canceled.

16 **[PART] 3**

17 **INTEREST EXCHANGE**

18 **SECTION 1131. INTEREST EXCHANGE AUTHORIZED.**

19 (a) By complying with this [part]:

20 (1) a domestic limited partnership may acquire all of one or more classes or series
21 of interests of another domestic or foreign entity in exchange for interests, securities, obligations,
22 money, other property, rights to acquire interests or securities, or any combination of the
23 foregoing; or

24 (2) all of one or more classes or series of interests of a domestic limited

partnership may be acquired by another domestic or foreign entity in exchange for interests, securities, obligations, rights to acquire interests or securities, money, or other property, or any combination of the foregoing.

(b) By complying with the provisions of this [part] applicable to foreign entities, a foreign entity may be the acquiring or acquired entity in an interest exchange under this [part] if the interest exchange is authorized by the law of the foreign entity's jurisdiction of formation.

(c) If a protected agreement contains a provision that applies to a merger of a domestic limited partnership but does not refer to an interest exchange, the provision applies to an interest exchange in which the domestic limited partnership is the acquired entity as if the interest exchange were a merger until the provision is amended after [the effective date of this [act]].

SECTION 1132. PLAN OF INTEREST EXCHANGE.

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

(1) the name of the acquired entity;

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

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

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

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

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

1 (b) In addition to the requirements of subsection (a), a plan of interest exchange may
2 contain any other provision not prohibited by law.

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

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

5 (1) by all the partners of a domestic acquired limited partnership entitled to vote
6 on or consent to any matter; and

7 (2) in a record, by each partner of the domestic acquired limited partnership that
8 will have interest holder liability for debts, obligations, and other liabilities that arise after the
9 interest exchange becomes effective, unless:

10 (A) the partnership agreement of the partnership in a record provides for
11 the approval of an interest exchange or a merger in which some or all its partners become subject
12 to interest holder liability by the vote or consent of fewer than all of the partners; and

13 (B) the partner consented in a record to or voted for that provision of the
14 partnership agreement or became a partner after the adoption of that provision.

15 (b) An interest exchange involving a domestic acquired entity that is not a limited
16 partnership is not effective unless it is approved by the domestic entity in accordance with its
17 organic law.

18 (c) An interest exchange involving a foreign acquired entity is not effective unless it is
19 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of
20 formation.

21 (d) Except as otherwise provided in its organic law or organic rules, the interest holders
22 of the acquiring entity are not required to approve the interest exchange.

1 **SECTION 1134. AMENDMENT OR ABANDONMENT OF PLAN OF INTEREST**
2 **EXCHANGE.**

3 (a) A plan of interest exchange may be amended only with the consent of each party to
4 the plan, except as otherwise provided in the plan.

5 (b) A domestic acquired limited partnership may approve an amendment of a plan of
6 interest exchange:

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

9 (2) by the partners of the limited partnership in the manner provided in the plan,
10 but a partner that was entitled to vote on or consent to approval of the interest exchange is
11 entitled to vote on or consent to any amendment of the plan that will change:

12 (A) the amount or kind of interests, securities, obligations, money, other
13 property, rights to acquire interests or securities, or any combination of the foregoing, to be
14 received by any of the partners of the acquired partnership under the plan;

15 (B) the certificate of limited partnership or partnership agreement of the
16 acquired partnership that will be in effect immediately after the interest exchange becomes
17 effective, except for changes that do not require approval of the partners of the acquired
18 partnership under this [act] or the partnership agreement; or

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

21 (b) After a plan of interest exchange has been approved and before a statement of interest
22 exchange becomes effective, the plan may be abandoned as provided in the plan. Unless
23 prohibited by the plan, a domestic acquired limited partnership may abandon the plan in the same
24 manner as the plan was approved.

1 (c) If a plan of interest exchange is abandoned after a statement of interest exchange has
2 been delivered to the [Secretary of State] for filing and before the statement becomes effective, a
3 statement of abandonment, signed by the acquired limited partnership, must be delivered to the
4 [Secretary of State] for filing before the statement of interest exchange becomes effective. The
5 statement of abandonment takes effect upon filing, and the interest exchange is abandoned and
6 does not become effective. The statement of abandonment must contain:

7 (1) the name of the acquired limited partnership;

8 (2) the date on which the statement of interest exchange was delivered to the
9 [Secretary of State] for filing; and

10 (3) a statement that the interest exchange has been abandoned in accordance with
11 this section.

12 **SECTION 1135. STATEMENT OF INTEREST EXCHANGE.**

13 (a) A statement of interest exchange must be signed by a domestic acquired limited
14 partnership and delivered to the [Secretary of State] for filing.

15 (b) A statement of interest exchange must contain:

16 (1) the name of the acquired limited partnership;

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

18 (3) a statement that the plan of interest exchange was approved by the acquired
19 entity in accordance with this [part]; and

20 (4) any amendments to the acquired limited partnership's certificate of limited
21 partnership approved as part of the plan of interest exchange.

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

24 (d) A plan of interest exchange that is signed by a domestic acquired limited partnership

1 and meets all the requirements of subsection (b) may be delivered to the [Secretary of State] for
2 filing instead of a statement of interest exchange and upon filing has the same effect. If a plan of
3 interest exchange is filed as provided in this subsection, references in this [article] to a statement
4 of interest exchange refer to the plan of interest exchange filed under this subsection.

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

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

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

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

14 (3) the certificate of limited partnership of the acquired partnership is amended as
15 provided in the statement of interest exchange; and

16 (4) the provisions of the partnership agreement of the acquired partnership that are
17 to be in a record, if any, are amended to the extent provided in the plan of interest exchange.

18 (b) Except as otherwise provided in the partnership agreement of a domestic acquired
19 limited partnership, the interest exchange does not give rise to any rights that a partner or third
20 party would otherwise have upon a dissolution, liquidation, or winding up of the acquired
21 partnership.

22 (c) When an interest exchange becomes effective, a person that did not have interest
23 holder liability with respect to a domestic acquired limited partnership and that becomes subject
24 to interest holder liability with respect to a domestic entity as a result of the interest exchange has

1 interest holder liability only to the extent provided by the organic law of the entity and only for
2 those debts, obligations, and other liabilities that arise after the interest exchange becomes
3 effective.

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

7 (1) The interest exchange does not discharge any interest holder liability to the
8 extent the interest holder liability arose before the interest exchange became effective.

9 (2) The person does not have interest holder liability for any liability that arises
10 after the interest exchange becomes effective.

11 (3) The person has whatever rights of contribution from any other person as are
12 provided by other law, this [act], or the partnership agreement of the acquired entity with respect
13 to any interest holder liability preserved under paragraph (1) as if the interest exchange had not
14 occurred.

15 **[PART] 4**

16 **CONVERSION**

17 **SECTION 1141. CONVERSION AUTHORIZED.**

18 (a) By complying with this [part], a domestic limited partnership may become:

19 (1) a domestic entity of a different type; or

20 (2) a foreign entity of a different type, if the conversion is authorized by the law
21 of the foreign jurisdiction.

22 (b) By complying with the provisions of this [part] applicable to foreign entities, a
23 foreign entity that is not a foreign limited partnership may become a domestic limited partnership
24 if the conversion is authorized by the law of the foreign entity's jurisdiction of formation.

1 (c) If a protected agreement contains a provision that applies to a merger of a domestic
2 limited partnership but does not refer to a conversion, the provision applies to a conversion of the
3 entity as if the conversion were a merger until the provision is amended after [the effective date
4 of this [act]].

5 **SECTION 1142. PLAN OF CONVERSION.**

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

8 (1) the name of the converting limited partnership;

9 (2) the name, jurisdiction of formation, and type of entity of the converted entity;

10 (3) the manner of converting the interests in the converting limited partnership
11 into interests, securities, obligations, money, other property, rights to acquire interests or
12 securities, or any combination of the foregoing;

13 (4) the proposed public organic record of the converted entity if it will be a filing
14 entity;

15 (5) the full text of the private organic rules of the converted entity that are
16 proposed to be in a record;

17 (6) the other terms and conditions of the conversion; and

18 (7) any other provision required by the law of this state or the partnership
19 agreement of the converting limited partnership.

20 (b) In addition to the requirements of subsection (a), a plan of conversion may contain
21 any other provision not prohibited by law.

22 **SECTION 1143. APPROVAL OF CONVERSION.**

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

24 (1) by a domestic converting limited partnership by all of the partners of the

1 limited partnership entitled to vote on or consent to any matter; and

2 (2) in a record, by each partner of a domestic converting limited partnership that
3 will have interest holder liability for debts, obligations, and other liabilities that arise after the
4 conversion becomes effective:

5 (A) the partnership agreement of the limited partnership provides in a
6 record for the approval of a conversion or a merger in which some or all of its partners become
7 subject to interest holder liability by the vote or consent of fewer than all the interest holders; and

8 (B) the partner voted for or consented in a record to that provision of the
9 partnership agreement or became a partner after the adoption of that provision.

10 (b) A conversion involving a domestic converting entity that is not a limited partnership
11 is not effective unless it is approved by the domestic converting entity in accordance with its
12 organic law.

13 (c) A conversion of a foreign converting entity is not effective unless it is approved by
14 the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

15 **SECTION 1144. AMENDMENT OR ABANDONMENT OF PLAN OF**
16 **CONVERSION.**

17 (a) A plan of conversion of a domestic converting limited partnership may be amended:

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

20 (2) by the partners of the limited partnership in the manner provided in the plan,
21 but a partner that was entitled to vote on or consent to approval of the conversion is entitled to
22 vote on or consent to any amendment of the plan that will change:

23 (A) the amount or kind of interests, securities, obligations, money, other
24 property, rights to acquire interests or securities, or any combination of the foregoing, to be

1 received by any of the partners of the converting entity under the plan;

2 (B) the public organic record or private organic rules of the converted
3 entity that will be in effect immediately after the conversion becomes effective, except for
4 changes that do not require approval of the interest holders of the converted entity under its
5 organic law or organic rules; or

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

8 (b) After a plan of conversion has been approved by a domestic converting limited
9 partnership and before a statement of conversion becomes effective, the plan may be abandoned
10 as provided in the plan. Unless prohibited by the plan, by a domestic converting limited
11 partnership may abandon the plan in the same manner as the plan was approved.

12 (c) If a plan of conversion is abandoned after a statement of conversion has been
13 delivered to the [Secretary of State] for filing and before the filing becomes effective, a statement
14 of abandonment, signed by the converting entity, must be delivered to the [Secretary of State] for
15 filing before the time the statement of conversion becomes effective. The statement of
16 abandonment takes effect upon filing, and the conversion is abandoned and does not become
17 effective. The statement of abandonment must contain:

18 (1) the name of the converting limited partnership;

19 (2) the date on which the statement of conversion was delivered to the [Secretary
20 of State] for filing; and

21 (3) a statement that the conversion has been abandoned in accordance with this
22 section.

23 **SECTION 1145. STATEMENT OF CONVERSION.**

24 (a) A statement of conversion must be signed by the converting entity and delivered to

1 the [Secretary of State] for filing.

2 (b) A statement of conversion must contain:

3 (1) the name, jurisdiction of formation, and type of the converting entity;

4 (2) the name, jurisdiction of formation, and type of the converted entity;

5 (3) if the converting entity is a domestic entity, a statement that the plan of
6 conversion was approved in accordance with this [part] or, if the converting entity is a foreign
7 entity, a statement that the conversion was approved by the foreign converting entity in
8 accordance with the law of its jurisdiction of formation;

9 (4) if the converted entity is a domestic filing entity, the text of its public organic
10 record, as an attachment;

11 (5) if the converted entity is a domestic limited liability partnership, the text of its
12 statement of qualification, as an attachment; and

13 (6) if the converted entity is a foreign entity that is not a registered foreign entity,
14 a mailing address to which the [Secretary of State] may send any process served on the
15 [Secretary of State] pursuant to Section 1146(e).

16 (c) In addition to the requirements of subsection (b), a statement of conversion may
17 contain any other provision not prohibited by law.

18 (d) If the converted entity is a domestic entity, its public organic record, if any, must
19 satisfy the requirements of the law of this state, but the public organic record does not need to be
20 signed.

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

1 plan of conversion filed under this subsection.

2 **SECTION 1146. EFFECT OF CONVERSION.**

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

5 (1) the converted entity is:

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

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

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

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

12 (4) except as otherwise provided by law or the plan of conversion, all the rights,
13 privileges, immunities, powers, and purposes of the converting entity remain in the converted
14 entity;

15 (5) the name of the converted entity may be substituted for the name of the
16 converting entity in any pending action or proceeding;

17 (6) the provisions of the partnership agreement of the converted entity that are to
18 be in a record, if any, approved as part of the plan of conversion are effective; and

19 (7) the interests in the converting entity are converted, and the interest holders of
20 the converting entity are entitled only to the rights provided to them under the plan of conversion
21 and to any appraisal rights they have under Section 1108 and the converting entity's organic law.

22 (b) Except as otherwise provided in the partnership agreement of a domestic converting
23 limited partnership, the conversion does not give rise to any rights that a partner or third party
24 would otherwise have upon a dissolution, liquidation, or winding up of the converting entity.

1 (c) When a conversion becomes effective, a person that did not have interest holder
2 liability with respect to the converting entity and that becomes subject to interest holder liability
3 with respect to a domestic entity as a result of a conversion has interest holder liability only to
4 the extent provided by the organic law of the entity and only for those debts, obligations, and
5 other liabilities that arise after the conversion becomes effective.

6 (d) When a conversion becomes effective, the interest holder liability of a person that
7 ceases to hold an interest in a domestic limited partnership with respect to which the person had
8 interest holder liability is as follows:

9 (1) The conversion does not discharge any interest holder liability to the extent
10 the interest holder liability arose before the conversion became effective.

11 (2) The person does not have interest holder liability for any liability that arises
12 after the conversion becomes effective.

13 (3) The person has whatever rights of contribution from any other person as are
14 provided by law other than this [act], this [act], or the partnership agreement of the converting
15 entity with respect to any interest holder liability preserved under paragraph (1) as if the
16 conversion had not occurred.

17 (e) When a conversion becomes effective, a foreign entity that is the converted entity
18 may be served with process in this state for the collection and enforcement of any of its debts,
19 obligations, and liabilities as provided in Section 120.

20 (f) If the converting entity is a registered foreign entity, its registration to do business in
21 this state is canceled when the conversion becomes effective.

22 (g) A conversion does not require the entity to wind up its affairs and does not constitute
23 or cause the dissolution of the entity.

24 **[PART] 5**

1 **DOMESTICATION**

2 **SECTION 1151. DOMESTICATION AUTHORIZED.**

3 (a) By complying with this [part], a domestic limited partnership may become a foreign
4 limited partnership if the domestication is authorized by the law of the foreign jurisdiction.

5 (b) By complying with the provisions of this [part] applicable to foreign limited
6 partnerships, a foreign limited partnership may become a domestic limited partnership if the
7 domestication is authorized by the law of the foreign limited partnership's jurisdiction of
8 formation.

9 (c) If a protected agreement contains a provision that applies to a merger of a domestic
10 limited partnership but does not refer to a domestication, the provision applies to a domestication
11 of the limited partnership as if the domestication were a merger until the provision is amended
12 after [the effective date of this [act]].

13 **SECTION 1152. PLAN OF DOMESTICATION.**

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

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

17 (2) the name and jurisdiction of formation of the domesticated limited
18 partnership;

19 (3) the manner of converting the interests in the domesticating limited partnership
20 into interests, securities, obligations, money, other property, rights to acquire interests or
21 securities, or any combination of the foregoing;

22 (4) the proposed certificate of limited partnership of the domesticated limited
23 partnership;

24 (5) the full text of the partnership agreement of the domesticated limited

partnership rights to acquire interests or securities, that are proposed to be in a record;
(6) the other terms and conditions of the domestication; and
(7) any other provision required by the law of this state or the partnership
agreement of the domesticating limited partnership.

(b) In addition to the requirements of subsection (a), a plan of domestication may contain
any other provision not prohibited by law.

SECTION 1153. APPROVAL OF DOMESTICATION.

(a) A plan of domestication of a domestic domesticating limited partnership is not
effective unless it has been approved:

(1) by all the partners entitled to vote on or consent to any matter; and
(2) in a record, by each partner that will have interest holder liability for debts,
obligations, and other liabilities that arise after the domestication becomes effective, unless:

(A) the partnership agreement of the entity in a record provide for the
approval of a domestication or merger in which some or all of its partners become subject to
interest holder liability by the vote or consent of fewer than all the partners; and

(B) the partner voted for or consented in a record to that provision of the
partnership agreement or became a partner after the adoption of that provision.

(b) A domestication of a foreign domesticating limited partnership is not effective unless
it is approved in accordance with the law of the foreign limited partnership's jurisdiction of
formation.

SECTION 1154. AMENDMENT OR ABANDONMENT OF PLAN OF DOMESTICATION.

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

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

3 (2) by the partners of the limited partnership in the manner provided in the plan,
4 but partner that was entitled to vote on or consent to approval of the domestication is entitled to
5 vote on or consent to any amendment of the plan that will change:

6 (A) the amount or kind of interests, securities, obligations, money, other
7 property, rights to acquire interests or securities, or any combination of the foregoing, to be
8 received by any of the partners of the domesticating limited partnership under the plan;

9 (B) the certificate of limited partnership or partnership agreement of the
10 domesticated limited partnership that will be in effect immediately after the domestication
11 becomes effective, except for changes that do not require approval of the partners of the
12 domesticated limited partnership under its organic law or partnership agreement; or

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

15 (b) After a plan of domestication has been approved by a domestic domesticating limited
16 partnership and before a statement of domestication becomes effective, the plan may be
17 abandoned as provided in the plan. Unless prohibited by the plan, by a domestic domesticating
18 limited partnership may abandon the plan in the same manner as the plan was approved.

19 (c) If a plan of domestication is abandoned after a statement of domestication has been
20 delivered to the [Secretary of State] for filing and before the filing becomes effective, a statement
21 of abandonment, signed by the limited partnership, must be delivered to the [Secretary of State]
22 for filing before the time the statement of domestication becomes effective. The statement of
23 abandonment takes effect upon filing, and the domestication is abandoned and does not become
24 effective. The statement of abandonment must contain:

1 (1) the name of the domesticating limited partnership;
2 (2) the date on which the statement of domestication was delivered to the
3 [Secretary of State] for filing; and
4 (3) a statement that the domestication has been abandoned in accordance with this
5 section.

6 **SECTION 1155. STATEMENT OF DOMESTICATION.**

7 (a) A statement of domestication must be signed by the domesticating limited partnership
8 and delivered to the [Secretary of State] for filing.

9 (b) A statement of domestication must contain:

10 (1) the name and jurisdiction of formation of the domesticating limited
11 partnership;

12 (2) the name and jurisdiction of formation of the domesticated limited
13 partnership;

14 (3) if the domesticating limited partnership is a domestic limited partnership, a
15 statement that the plan of domestication was approved in accordance with this [part] or, if the
16 domesticating limited partnership is a foreign limited partnership, a statement that the
17 domestication was approved in accordance with the law of its jurisdiction of formation;

18 (4) the certificate of limited partnership of the domesticated limited partnership,
19 as an attachment; and

20 (5) if the domesticated foreign limited partnership is not a registered foreign
21 limited partnership, a mailing address to which the [Secretary of State] may send any process
22 served on the [Secretary of State] pursuant to Section 1156(e).

23 (c) In addition to the requirements of subsection (b), a statement of domestication may
24 contain any other provision not prohibited by law.

1 (d) The certificate of limited partnership of a domesticated domestic limited partnership
2 must satisfy the requirements of the law of this state, but the certificate does not need to be
3 signed.

4 (e) A plan of domestication that is signed by a domesticating domestic limited
5 partnership and meets all of the requirements of subsection (b) may be delivered to the
6 [Secretary of State] for filing instead of a statement of domestication and upon filing has the
7 same effect. If a plan of domestication is filed as provided in this subsection, references in this
8 [article] to a statement of domestication refer to the plan of domestication filed under this
9 subsection.

10 **SECTION 1156. EFFECT OF DOMESTICATION.**

11 (a) When a domestication becomes effective:

12 (1) the domesticated limited partnership is:

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

15 (B) the same entity without interruption as the domesticating limited
16 partnership;

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

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

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

24 (5) the name of the domesticated limited partnership may be substituted for the

1 name of the domesticating limited partnership in any pending action or proceeding;

2 (6) the certificate of limited partnership of the domesticated limited partnership is
3 effective;

4 (7) the provisions of the partnership agreement of the domesticated limited
5 partnership that are to be in a record, if any, approved as part of the plan of domestication are
6 effective; and

7 (8) the interests in the domesticating limited partnership are converted to the
8 extent and as approved in connection with the domestication, and the partners of the
9 domesticating limited partnership are entitled only to the rights provided to them under the plan
10 of domestication and to any appraisal rights they have under Section 1108.

11 (b) Except as otherwise provided in the organic law or partnership agreement of the
12 domesticating limited partnership, the domestication does not give rise to any rights that an
13 partner or third party would otherwise have upon a dissolution, liquidation, or winding up of the
14 domesticating limited partnership.

15 (c) When a domestication becomes effective, a person that did not have interest holder
16 liability with respect to the domesticating limited partnership and that becomes subject to interest
17 holder liability with respect to a domestic limited partnership as a result of the domestication has
18 interest holder liability only to the extent provided by the organic law of the partnership and only
19 for those debts, obligations, and other liabilities that arise after the domestication becomes
20 effective.

21 (d) When a domestication becomes effective, the following rules apply:

22 (1) The domestication does not discharge any interest holder liability under this
23 [act] to the extent the interest holder liability arose before the domestication became effective.

24 (2) A person does not have interest holder liability under this [article] for any

1 debts, obligations, and other liabilities that arise after the domestication becomes effective.

2 (3) A person has whatever rights of contribution from any other person as are
3 provided by law other than this [act], this [act], or the partnership agreement of a domestic
4 domesticating limited partnership with respect to any interest holder liability preserved under
5 paragraph (1) as if the domestication had not occurred.

6 (e) When a domestication becomes effective, a foreign limited partnership that is the
7 domesticated limited partnership may be served with process in this state for the collection and
8 enforcement of any of its debts, obligations, and other liabilities as provided in Section 120.

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

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

13 [ARTICLE] 12

14 MISCELLANEOUS PROVISIONS

15 **SECTION 1201. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In
16 applying and construing this ~~Uniform Act~~ uniform act, consideration must be given to the need
17 to promote uniformity of the law with respect to its subject matter among ~~States~~ states that enact
18 it.

19 **SECTION 1202. SEVERABILITY CLAUSE.** If any provision of this ~~[Act]~~ [act] or
20 its application to any person or circumstance is held invalid, the invalidity does not affect other
21 provisions or applications of this ~~[Act]~~ [act] which can be given effect without the invalid
22 provision or application, and to this end the provisions of this ~~[Act]~~ [act] are severable.

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

25 **SECTION 1203. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL**

1 **AND NATIONAL COMMERCE ACT.** This ~~[Act]~~ [act] modifies, limits, ~~or~~ and supersedes
2 the ~~federal~~ Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001
3 et seq., but this ~~[Act]~~ [act] does not modify, limit, or supersede Section 101(c) of that ~~Act~~ act, 15
4 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in
5 Section 103(b) of that ~~Act~~ act, 15 U.S.C. Section 7003(b).

6 **SECTION 1204. ~~EFFECTIVE DATE.~~** This ~~[Act]~~ takes effect [effective date].

7 **SAVINGS CLAUSE.** *This [act] does not affect an action commenced, proceeding brought, or*
8 *right accrued before [the effective date of this [act]].*

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

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

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

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

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

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

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

24 (1) Section 104(c) does not apply and the limited partnership has whatever

1 duration it had under the law applicable immediately before [the effective date of this ~~{Act}~~
2 [act]].

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

5 (3) Sections 601 and 602 do not apply and a limited partner has the same right and
6 power to dissociate from the limited partnership, with the same consequences, as existed
7 immediately before [the effective date of this ~~{Act}~~ [act]].

8 (4) Section 603(4) does not apply.

9 (5) Section 603(5) does not apply and a court has the same power to expel a
10 general partner as the court had immediately before [the effective date of this ~~{Act}~~ [act]].

11 (6) Section 801(3) does not apply and the connection between a person's
12 dissociation as a general partner and the dissolution of the limited partnership is the same as
13 existed immediately before [the effective date of this [act]].

14 (d) With respect to a limited partnership that elects pursuant to subsection (a)(2) to be
15 subject to this ~~{Act}~~ [act], after the election takes effect the provisions of this ~~{Act}~~ [act] relating
16 to the liability of the limited partnership's general partners to third parties apply:

17 (1) before [all-inclusive date], to:

18 (A) a third party that had not done business with the limited partnership in
19 the year before the election took effect; and

20 (B) a third party that had done business with the limited partnership in the
21 year before the election took effect only if the third party knows or has received a notification of
22 the election; and

23 (2) on and after [all-inclusive date], to all third parties, but those provisions
24 remain inapplicable to any obligation incurred while those provisions were inapplicable under

paragraph (1)(B).

Legislative Note: *In a State that has previously amended its existing limited partnership statute to provide for limited liability limited partnerships (LLLPs), this Act should include transition provisions specifically applicable to preexisting limited liability limited partnerships. The precise wording of those provisions must depend on the wording of the State's previously enacted LLLP provisions. However, the following principles apply generally:*

1. In Sections 806(b)(5) and 807(b)(4) (notice by dissolved limited partnership to claimants), the phrase "the limited partnership has been throughout its existence a limited liability limited partnership" should be revised to encompass a limited partnership that was a limited liability limited partnership under the State's previously enacted LLLP provisions.

2. Section 1206(d) should provide that, if a preexisting limited liability limited partnership elects to be subject to this Act, this Act's provisions relating to the liability of general partners to third parties apply immediately to all third parties, regardless of whether a third party has previously done business with the limited liability limited partnership.

3. A preexisting limited liability limited partnership that elects to be subject to this Act should have to comply with Sections 201(a)(4) (requiring the certificate of limited partnership to state whether the limited partnership is a limited liability limited partnership) and 108(c) (establishing name requirements for a limited liability limited partnership).

4. As for Section 1206(b) (providing that, after a transition period, this Act applies to all preexisting limited partnerships):

a. if a State's previously enacted LLLP provisions have requirements essentially the same as Sections 201(a)(4) and 108(c), preexisting limited liability limited partnerships should automatically retain LLLP status under this Act.

b. if a State's previously enacted LLLP provisions have name requirements essentially the same as Section 108(c) and provide that a public filing other than the certificate of limited partnership establishes a limited partnership's status as a limited liability limited partnership:

i. that filing can be deemed to an amendment to the certificate of limited partnership to comply with Section 201(a)(4), and

ii. preexisting limited liability limited partnerships should automatically retain LLLP status under this Act.

c. if a State's previously enacted LLLP provisions do not have name requirements essentially the same as Section 108(c), it will be impossible both to enforce Section 108(c) and provide for automatic transition to LLLP status under this Act.

SECTION 1206. REPEALS. The following are repealed:

(1) [the state Limited Partnership Act as [amended, and as] in effect immediately before

[the effective date of this [act]].

1 (2)

2 (3)

3 **SECTION 1207. EFFECTIVE DATE.** This ~~*Act*~~ *act* takes effect ...