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HOUSE BILL 281

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

INTRODUCED BY

Greg Nibert

AN ACT

RELATING TO BUSINESS; ENACTING THE REVISED UNIFORM LIMITED LIABILITY COMPANY ACT; REPEALING AND REENACTING A PROVISION OF LAW PERTAINING TO RESTATED ARTICLES OF INCORPORATION; MAKING TECHNICAL AND CONFORMING CHANGES TO THE BUSINESS CORPORATION ACT AND CHAPTER 47, ARTICLE 1 NMSA 1978; PROVIDING PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

ARTICLE 1

GENERAL PROVISIONS

SECTION 101. [NEW MATERIAL] SHORT TITLE.---Sections 101 through 1103 of this act may be cited as the "Revised Uniform Limited Liability Company Act".

SECTION 102. [NEW MATERIAL] DEFINITIONS.---As used in the Revised Uniform Limited Liability Company Act, unless the text otherwise specifies:

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1           A. "address", when used to refer to the principal  
2 office or registered office of a limited liability company or  
3 foreign limited liability company or to the place of business  
4 of a registered agent, means:

5                   (1) if within a municipality, the street  
6 address; or

7                   (2) if outside a municipality, the highway  
8 number or rural route number and box number, if any, or, if  
9 none, the geographical location, using well-known landmarks;

10           B. "certificate of organization" means the  
11 certificate required by Section 201 of the Revised Uniform  
12 Limited Liability Company Act and includes the certificate as  
13 amended or restated;

14           C. "contribution", except when used in the phrase  
15 "right of contribution", means property or a benefit described  
16 in Section 402 of the Revised Uniform Limited Liability Company  
17 Act that is provided by a person to a limited liability company  
18 to become a member or in the person's capacity as a member;

19           D. "court" means the district court, except that if  
20 a party asserts a claim, action or proceeding against the  
21 secretary of state or an appeal pursuant to the provisions of  
22 Section 39-3-1.1 NMSA 1978 from a decision or act of any kind  
23 by the secretary of state, "court" means the district court for  
24 the first judicial district;

25           E. "debtor in bankruptcy" means a person that is

1 the subject of:

2 (1) an order for relief under Title 11 of the  
3 United States Code or a comparable order under a successor  
4 statute of general application; or

5 (2) a comparable order under federal, state or  
6 foreign law governing insolvency;

7 F. "distribution":

8 (1) means a transfer of money or other  
9 property from a limited liability company to a person on  
10 account of a transferable interest or in the person's capacity  
11 as a member; and

12 (2) includes:

13 (a) a redemption or other purchase by a  
14 limited liability company of a transferable interest; and

15 (b) a transfer to a member in return for  
16 the member's relinquishment of a right to participate as a  
17 member in the management or conduct of the company's activities  
18 and affairs or to have access to records or other information  
19 concerning the company's activities and affairs; but

20 (3) excludes:

21 (a) reasonable compensation for present  
22 or past services; or

23 (b) payments made in the ordinary course  
24 of business under a bona fide retirement plan or other bona  
25 fide benefits program;

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1           G. "electronic" means relating to technology having  
2 electronic, digital, magnetic, wireless, optical,  
3 electromagnetic or similar capabilities;

4           H. "foreign limited liability company" means an  
5 unincorporated entity that is formed under the law of a  
6 jurisdiction other than New Mexico and that would be a limited  
7 liability company if formed under the law of New Mexico;

8           I. "jurisdiction", when used to refer to a  
9 political entity, means the United States, a state, a foreign  
10 country or a political subdivision of a foreign country;

11           J. "jurisdiction of formation" means the  
12 jurisdiction whose law governs the internal affairs of an  
13 entity;

14           K. "limited liability company", except when used in  
15 the phrase "foreign limited liability company" or when used in  
16 Article 10 of the Revised Uniform Limited Liability Company  
17 Act, means an entity formed under that act or an entity that  
18 becomes subject to that act under Article 10 or Section 110 of  
19 that act;

20           L. "manager" means a person that, under the  
21 operating agreement of a manager-managed limited liability  
22 company, is responsible, alone or in concert with others, for  
23 performing the management functions stated in Subsection C of  
24 Section 407 of the Revised Uniform Limited Liability Company  
25 Act;

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1 M. "manager-managed limited liability company"  
2 means a limited liability company that qualifies under  
3 Subsection A of Section 407 of the Revised Uniform Limited  
4 Liability Company Act;

5 N. "member" means a person that has become a member  
6 of a limited liability company under Section 401 of the Revised  
7 Uniform Limited Liability Company Act and that has not  
8 dissociated under Section 602 of that act;

9 O. "member-managed limited liability company" means  
10 a limited liability company that is not a manager-managed  
11 limited liability company;

12 P. "operating agreement" means the agreement,  
13 regardless of whether it is referred to as an operating  
14 agreement, and regardless of whether it is oral, in a record,  
15 implied or in any combination thereof, of all the members of a  
16 limited liability company, including a sole member, concerning  
17 the matters described in Subsection A of Section 110 of the  
18 Revised Uniform Limited Liability Company Act; "operating  
19 agreement" includes the agreement as amended or restated;

20 Q. "organizer" means a person that acts under  
21 Section 201 of the Revised Uniform Limited Liability Company  
22 Act to form a limited liability company and that need not be  
23 nor become a member or manager of the company formed;

24 R. "person" means an individual, a business  
25 corporation, a partnership including a limited liability

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1 partnership, a limited partnership including a limited  
2 liability limited partnership, a limited liability company, a  
3 general cooperative association, a statutory trust, a business  
4 trust, a common-law business trust, an estate, a trust, an  
5 association, a joint venture, a public corporation, a  
6 government, a governmental subdivision, agency or  
7 instrumentality or any other legal or commercial entity;

8 S. "principal office" means the principal executive  
9 office of a limited liability company or foreign limited  
10 liability company, regardless of whether the office is located  
11 in New Mexico, unless the principal office in New Mexico is  
12 specified;

13 T. "property" means all property, whether real,  
14 personal, a combination of real and personal, tangible or  
15 intangible, or any right or interest therein;

16 U. "record", when used as a noun, means information  
17 that is inscribed on a tangible medium or that is stored in an  
18 electronic or other medium and is retrievable in a perceivable  
19 form;

20 V. "registered agent" means an agent of a limited  
21 liability company or foreign limited liability company that is  
22 authorized to receive service of any process, notice or demand  
23 required or permitted by law to be delivered to the company;

24 W. "registered foreign limited liability company"  
25 means a foreign limited liability company that is registered to

1 do business in New Mexico under a statement of registration  
2 filed by the secretary of state;

3 X. "sign" means, with the present intent to  
4 authenticate or adopt a record, to:

5 (1) execute or adopt a tangible symbol; or

6 (2) attach to or logically associate with the  
7 record an electronic symbol, sound or process;

8 Y. "state" means a state of the United States, the  
9 District of Columbia, Puerto Rico, the United States Virgin  
10 Islands or a territory or insular possession subject to the  
11 jurisdiction of the United States;

12 Z. "transfer" includes an assignment, a conveyance,  
13 a sale, a lease, an encumbrance, including a mortgage and a  
14 security interest, a gift and a transfer by operation of law;

15 AA. "transferable interest" means the right, as  
16 initially owned by a person in the person's capacity as a  
17 member, to receive distributions from a limited liability  
18 company, regardless of whether the person remains a member or  
19 continues to own any part of the right; "transferable interest"  
20 applies to any fraction of the interest, regardless of who owns  
21 it; and

22 BB. "transferee" means a person to which all or  
23 part of a transferable interest has been transferred,  
24 regardless of whether the transferor is a member, and includes  
25 a person that owns a transferable interest under Paragraph (3)

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1 of Subsection A of Section 603 of the Revised Uniform Limited  
2 Liability Company Act.

3 SECTION 103. [NEW MATERIAL] KNOWLEDGE--NOTICE.--

4 A. A person knows a fact when the person has actual  
5 knowledge of it.

6 B. A person has notice of a fact when the person:

7 (1) has reason to know the fact from all of  
8 the facts known to the person at the time in question; or

9 (2) is deemed to have notice of the fact under  
10 Subsection D of this section.

11 C. Subject to Subsection F of Section 210 of the  
12 Revised Uniform Limited Liability Company Act, a person  
13 notifies another person of a fact by taking steps reasonably  
14 required to inform the other person in ordinary course,  
15 regardless of whether those steps cause the other person to  
16 know the fact.

17 D. A person that is not a member is deemed to have  
18 notice of a limited liability company's:

19 (1) dissolution ninety days after a statement  
20 of dissolution under Subsection F of Section 702 of that act  
21 becomes effective;

22 (2) cancellation ninety days after a notice of  
23 cancellation under Section 213 of that act becomes effective;

24 (3) termination ninety days after a statement  
25 of termination under Subparagraph (f) of Paragraph (2) of

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1 Subsection B of Section 702 of that act becomes effective; and  
2 (4) participation in a merger, an interest  
3 exchange, a conversion or a domestication, ninety days after  
4 statements of merger, interest, exchange, conversion or  
5 domestication under Article 10 of that act become effective.

6 SECTION 104. [NEW MATERIAL] GOVERNING LAW.--The law of  
7 New Mexico governs:

8 A. the internal affairs of a limited liability  
9 company; and

10 B. the liability of a member as member and a  
11 manager as manager for a debt, obligation or other liability of  
12 a limited liability company.

13 SECTION 105. [NEW MATERIAL] OPERATING AGREEMENT--SCOPE,  
14 FUNCTION AND LIMITATIONS.--

15 A. Except as otherwise provided in Subsections C  
16 and D of this section, the operating agreement governs:

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

19 (2) the rights and duties under the Revised  
20 Uniform Limited Liability Company Act of a person in the  
21 capacity of manager;

22 (3) the activities and affairs of the company  
23 and the conduct of those activities and affairs; and

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

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1           B. To the extent that the operating agreement does  
2 not provide for a matter described in Subsection A of this  
3 section, the Revised Uniform Limited Liability Company Act  
4 governs the matter.

5           C. An operating agreement shall not:

6                   (1) vary the law applicable under Section 104  
7 of the Revised Uniform Limited Liability Company Act;

8                   (2) vary a limited liability company's  
9 capacity under Section 109 of that act to sue and be sued in  
10 its own name;

11                   (3) vary any requirement, procedure or other  
12 provision of that act pertaining to:

13                           (a) registered agents; or

14                           (b) the secretary of state, including  
15 provisions pertaining to records authorized or required to be  
16 delivered to the secretary of state for filing under that act;

17                   (4) vary the provisions of Section 204 of that  
18 act;

19                   (5) alter or eliminate the duty of loyalty or  
20 the duty of care, except as otherwise provided in Subsection D  
21 of this section;

22                   (6) eliminate the contractual obligation of  
23 good faith and fair dealing under Subsection D of Section 409  
24 of that act, except that the operating agreement may prescribe  
25 the standards, if not manifestly unreasonable, by which the

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1 performance of the obligation is to be measured;

2 (7) relieve or exonerate a person from  
3 liability for conduct involving bad faith, willful or  
4 intentional misconduct or a knowing violation of law;

5 (8) unreasonably restrict the duties and  
6 rights under Section 410 of that act, except that the operating  
7 agreement may impose reasonable restrictions on the  
8 availability and use of information obtained under that section  
9 and may define appropriate remedies, including liquidated  
10 damages, for a breach of a reasonable restriction on use;

11 (9) vary the causes of dissolution specified  
12 in Paragraph (4) of Subsection A of Section 701 of that act;

13 (10) vary the requirement to wind up the  
14 company's activities and affairs as specified in Subsections A  
15 and E and Paragraph (1) of Subsection B of Section 702 of that  
16 act;

17 (11) unreasonably restrict the right of a  
18 member to maintain an action under Article 8 of that act;

19 (12) vary the provisions of Section 805 of  
20 that act, except that the operating agreement may provide that  
21 the company may not have a special litigation committee;

22 (13) vary the right of a member to approve a  
23 merger under Subsection A of Section 1009 of that act, an  
24 interest exchange under Subsection A of Section 1015 of that  
25 act, a conversion under Subsection A of Section 1021 of that

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1 act or a domestication under Subsection A of Section 1027 of  
2 that act;

3 (14) vary the required contents of a plan of  
4 merger under Subsection A of Section 1008 of that act, a plan  
5 of interest exchange under Subsection A of Section 1014 of that  
6 act, a plan of conversion under Subsection A of Section 1020 of  
7 that act or a plan of domestication under Subsection A of  
8 Section 1026 of that act; and

9 (15) except as otherwise provided in Section  
10 106 and Subsection B of Section 107 of that act, restrict the  
11 rights under that act of a person other than a member or  
12 manager.

13 D. Subject to Paragraph (7) of Subsection C of this  
14 section, and without limiting other terms that may be included  
15 in an operating agreement, the operating agreement may:

16 (1) specify the method by which a specific act  
17 or transaction that would otherwise violate the duty of loyalty  
18 may, after full disclosure of all material facts, be authorized  
19 or ratified by one or more disinterested and independent  
20 persons;

21 (2) alter the prohibition in Paragraph (2) of  
22 Subsection A of Section 405 of the Revised Uniform Limited  
23 Liability Company Act so that the prohibition requires only  
24 that the company's total assets not be less than the sum of its  
25 total liabilities;

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1 (3) to the extent that the operating agreement  
2 of a member-managed limited liability company expressly  
3 relieves a member of a responsibility that the member otherwise  
4 would have under that act and imposes that responsibility on  
5 one or more other members, eliminate or limit a fiduciary duty  
6 of the member relieved of the responsibility that would have  
7 pertained to the responsibility; and

8 (4) if not manifestly unreasonable:

9 (a) alter or eliminate the aspects of  
10 the duty of loyalty stated in Subsections B and I of Section  
11 409 of that act;

12 (b) identify specific types or  
13 categories of activities that do not violate the duty of  
14 loyalty;

15 (c) alter the duty of care; however, the  
16 operating agreement shall not authorize conduct involving bad  
17 faith, willful or intentional misconduct or a knowing violation  
18 of law; and

19 (d) alter or eliminate any other  
20 fiduciary duty.

21 E. The court shall decide as a matter of law  
22 whether a term of an operating agreement is manifestly  
23 unreasonable under Paragraph (6) of Subsection C or Paragraph  
24 (3) of Subsection D of this section. The court:

25 (1) shall make its determination as of the

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1 time the challenged term became part of the operating agreement  
2 and by considering only circumstances existing at that time;  
3 and

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

7 (a) the objective of the term is  
8 unreasonable; or

9 (b) the term is an unreasonable means to  
10 achieve the term's objective.

11 SECTION 106. [NEW MATERIAL] OPERATING AGREEMENT--EFFECT  
12 ON LIMITED LIABILITY COMPANY AND PERSON BECOMING MEMBER--PRE-  
13 FORMATION AGREEMENT.--

14 A. A limited liability company is bound by and may  
15 enforce the operating agreement, regardless of whether the  
16 company has itself manifested assent to the operating  
17 agreement.

18 B. A person that becomes a member of a limited  
19 liability company is deemed to assent to the operating  
20 agreement.

21 C. Two or more persons intending to become the  
22 initial members of a limited liability company may make an  
23 agreement providing that, upon the formation of the company,  
24 the agreement will become the operating agreement. One person  
25 intending to become the initial member of a limited liability

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1 company may assent to terms providing that, upon the formation  
2 of the company, the terms will become the operating agreement.

3 SECTION 107. [NEW MATERIAL] OPERATING AGREEMENT--EFFECT  
4 ON THIRD PARTIES AND RELATIONSHIP TO RECORDS EFFECTIVE ON  
5 BEHALF OF LIMITED LIABILITY COMPANY.--

6 A. An operating agreement may specify that its  
7 amendment requires the approval of a person that is not a party  
8 to the agreement or the satisfaction of a condition. An  
9 amendment is ineffective if its adoption does not include the  
10 required approval or satisfy the specified condition.

11 B. The obligations of a limited liability company  
12 and its members to a person in the person's capacity as a  
13 transferee or a person dissociated as a member are governed by  
14 the operating agreement. An amendment to the operating  
15 agreement made after a person becomes a transferee or is  
16 dissociated as a member:

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

21 (2) is not effective to the extent that the  
22 amendment imposes a new debt, obligation or other liability on  
23 the transferee or person dissociated as a member.

24 C. If a record delivered by a limited liability  
25 company to the secretary of state for filing becomes effective

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1 and contains a provision that would be ineffective under  
2 Subsection C or Paragraph (3) of Subsection D of Section 105 of  
3 the Revised Uniform Limited Liability Company Act if contained  
4 in the operating agreement, the provision is ineffective in the  
5 record.

6 D. Subject to Subsection C of this section, if a  
7 record delivered by a limited liability company to the  
8 secretary of state for filing becomes effective and conflicts  
9 with a provision of the operating agreement:

10 (1) the agreement prevails as to members,  
11 persons dissociated as members, transferees and managers; and

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

14 SECTION 108. [NEW MATERIAL] NATURE, PURPOSE AND DURATION  
15 OF LIMITED LIABILITY COMPANY.--

16 A. A limited liability company is an entity  
17 distinct from its member or members.

18 B. A limited liability company may have any lawful  
19 purpose. If the purpose for which a limited liability company  
20 is organized makes it subject to the provisions of other laws,  
21 the limited liability company shall also be subject to the  
22 provisions of those laws.

23 C. A limited liability company has perpetual  
24 duration.

25 SECTION 109. [NEW MATERIAL] POWERS.--A limited liability  
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1 company has the capacity to sue and be sued in its own name and  
2 the power to do all things necessary or convenient to carry on  
3 its activities and affairs.

4 SECTION 110. [NEW MATERIAL] APPLICATION TO EXISTING  
5 RELATIONSHIPS.--

6 A. The Revised Uniform Limited Liability Company  
7 Act governs only:

8 (1) a limited liability company formed  
9 pursuant to the provisions of the Revised Uniform Limited  
10 Liability Company Act; and

11 (2) except as otherwise provided in this  
12 section, a limited liability company formed pursuant to the  
13 provisions of the Limited Liability Company Act that:

14 (a) elects, in the manner provided in  
15 its operating agreement or by law for amending the operating  
16 agreement, to be subject to the provisions of the Revised  
17 Uniform Limited Liability Company Act; and

18 (b) delivers to the secretary of state  
19 for filing under Subsection G of Section 210 of the Revised  
20 Uniform Limited Liability Company Act a restated certificate of  
21 organization containing the information required by Section 201  
22 of the Revised Uniform Limited Liability Company Act.

23 B. Except as otherwise provided in this section,  
24 until a limited liability company formed pursuant to the  
25 provisions of the Limited Liability Company Act elects to be

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1 governed by the Revised Uniform Limited Liability Company Act,  
2 the company shall continue to be governed by the provisions of  
3 the Limited Liability Company Act.

4 C. After July 1, 2024, Section 212 and Subsection B  
5 of Section 111 of the Revised Uniform Limited Liability Company  
6 Act apply to a limited liability company formed pursuant to the  
7 provisions of the Limited Liability Company Act.

8 D. After July 1, 2024, the Revised Uniform Limited  
9 Liability Company Act governs a foreign limited liability  
10 company registered to do business in New Mexico pursuant to the  
11 provisions of the Limited Liability Company Act or the Revised  
12 Uniform Limited Liability Company Act.

13 SECTION 111. [NEW MATERIAL] SUPPLEMENTAL AND OTHER  
14 PRINCIPLES OF LAW.--

15 A. Unless displaced by particular provisions of the  
16 Revised Uniform Limited Liability Company Act, the principles  
17 of law and equity supplement that act.

18 B. Section 55-9-408 and Subsections (d), (f) and  
19 (j) of Section 55-9-406 NMSA 1978 do not apply to a security  
20 interest in an ownership interest, however denominated and  
21 however arising, in a limited liability company.

22 SECTION 112. [NEW MATERIAL] NAMES PERMITTED.--

23 A. The name of a limited liability company and, if  
24 different, the name under which it proposes to do business in  
25 New Mexico shall be stated in its certificate of organization

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1 and shall contain the phrase "limited liability company" or  
2 "limited company" or the abbreviation "L.L.C.", "LLC", "L.C."  
3 or "LC". "Limited" may be abbreviated as "Ltd.", and "company"  
4 may be abbreviated as "Co.".

5 B. Except as otherwise provided in Subsection D of  
6 this section, the name of a limited liability company, and the  
7 name under which a foreign limited liability company may  
8 register to do business in New Mexico, shall be distinguishable  
9 on the records of the secretary of state from the name:

10 (1) of an existing person whose formation  
11 required the filing of a record by the secretary of state and  
12 that is not at the time administratively dissolved;

13 (2) of a limited liability partnership whose  
14 statement of qualification is in effect;

15 (3) under which a person is registered to do  
16 business in New Mexico by the filing of a record by the  
17 secretary of state;

18 (4) reserved under Section 113 of the Revised  
19 Uniform Limited Liability Company Act or another law of New  
20 Mexico providing for the reservation of a name by the filing of  
21 a record by the secretary of state; and

22 (5) registered under Section 114 of that act  
23 or another law of New Mexico providing for the registration of  
24 a name by the filing of a record by the secretary of state.

25 C. If a person consents in a record to the use of

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1 its name and submits an undertaking in a form satisfactory to  
2 the secretary of state to change its name to a name that is  
3 distinguishable on the records of the secretary of state from  
4 any name in any category of names specified in Subsection B of  
5 this section, the name of the consenting person may be used by  
6 the person to which the consent was given.

7 D. Except as otherwise provided in Subsection E of  
8 this section, in determining whether a name is the same as or  
9 not distinguishable on the records of the secretary of state  
10 from the name of another person, words, phrases or  
11 abbreviations indicating a type of person, such as  
12 "corporation", "corp.", "incorporated", "Inc.", "professional  
13 corporation", "P.C.", "PC", "professional association", "P.A.",  
14 "PA", "Limited", "Ltd.", "limited partnership", "L.P.", "LP",  
15 "limited liability partnership", "L.L.P.", "LLP", "registered  
16 limited liability partnership", "R.L.L.P.", "RLLP", "limited  
17 liability limited partnership", "L.L.L.P.", "LLLp", "registered  
18 limited liability limited partnership", "R.L.L.L.P.", "RLLLLP",  
19 "limited liability company", "L.L.C." and "LLC", shall not be  
20 taken into account.

21 E. A person may consent in a record to the use of a  
22 name that is not distinguishable on the records of the  
23 secretary of state from its name except for the addition of a  
24 word, phrase or abbreviation indicating the type of person as  
25 provided in Subsection D of this section. In such a case, the

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1 person need not change its name in accordance with Subsection B  
2 of this section.

3 F. A limited liability company or foreign limited  
4 liability company may use a name that is not distinguishable  
5 from a name described in Paragraphs (1) through (5) of  
6 Subsection B of this section if the company delivers to the  
7 secretary of state a certified copy of a final judgment of the  
8 court establishing the right of the company to use the name in  
9 New Mexico.

10 SECTION 113. [NEW MATERIAL] RESERVATION OF NAME.--

11 A. A person may reserve the exclusive use of a name  
12 that complies with Section 112 of the Revised Uniform Limited  
13 Liability Company Act by delivering an application to the  
14 secretary of state for filing. The application shall state the  
15 name and address of the applicant and the name to be reserved.  
16 If the secretary of state finds that the name is available, the  
17 secretary of state shall reserve the name for the applicant's  
18 exclusive use for one hundred twenty days.

19 B. The owner of a reserved name may transfer the  
20 reservation to another person by delivering to the secretary of  
21 state a signed notice in a record of the transfer that states  
22 the name and address of the person to which the reservation is  
23 being transferred.

24 SECTION 114. [NEW MATERIAL] REGISTRATION OF NAME.--

25 A. A foreign limited liability company not

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1 registered to do business in New Mexico under Article 9 of the  
2 Revised Uniform Limited Liability Company Act may register its  
3 name, or an alternate name adopted under Section 906 of that  
4 act, if the name complies with Section 212 of that act and is  
5 distinguishable on the records of the secretary of state from  
6 the names that are not available under Section 112 of that act.

7 B. To register its name or an alternate name  
8 adopted under Section 906 of the Revised Uniform Limited  
9 Liability Company Act, a foreign limited liability company  
10 shall deliver to the secretary of state for filing an  
11 application stating the company's name, the jurisdiction and  
12 date of its formation and any alternate name adopted under  
13 Section 906 of that act. If the secretary of state finds that  
14 the name applied for is available, the secretary of state shall  
15 register the name for the applicant's exclusive use.

16 C. The registration of a name under this section is  
17 effective for one year after the date of registration.

18 D. A foreign limited liability company whose name  
19 registration is effective may renew the registration for  
20 successive one-year periods by delivering, not earlier than  
21 three months before the expiration of the registration, to the  
22 secretary of state for filing a renewal application that  
23 complies with this section. When filed, the renewal  
24 application renews the registration for a succeeding one-year  
25 period.

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1           E. A foreign limited liability company whose name  
2 registration is effective may register as a foreign limited  
3 liability company under the registered name or consent in a  
4 signed record to the use of that name by another person that is  
5 not an individual.

6           SECTION 115. [NEW MATERIAL] REGISTERED OFFICE AND  
7 REGISTERED AGENT--CHANGE OF PRINCIPAL PLACE OF REGISTERED  
8 OFFICE, REGISTERED AGENT OR BUSINESS.--

9           A. A limited liability company shall maintain in  
10 New Mexico:

11                   (1) a registered office, which may be the same  
12 as the limited liability company's principal office; and

13                   (2) a registered agent for service of process  
14 on the limited liability company that is either:

15                           (a) an individual resident of New  
16 Mexico;

17                           (b) a domestic corporation, limited  
18 liability company or partnership having a place of business in  
19 New Mexico that is the same as the registered office; or

20                           (c) a foreign corporation, limited  
21 liability company or partnership authorized to do business in  
22 New Mexico whose place of business is the same as the  
23 registered office.

24           B. A limited liability company may change its  
25 registered office or registered agent by delivering to the

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1 secretary of state a statement setting forth:

2 (1) the name of the limited liability company;

3 (2) the name of its current registered agent;

4 (3) the address of its current registered  
5 office; and

6 (4) if its current registered agent is to be  
7 changed:

8 (a) the name of its successor registered  
9 agent;

10 (b) the address of the successor  
11 registered agent's place of business;

12 (c) a statement that such address is the  
13 same as the current address of the limited liability company's  
14 current registered office or, if there is a concurrent change  
15 in the address of the registered office, as the new address of  
16 the registered office; and

17 (d) a statement of the successor  
18 registered agent that the agent accepts the appointment;

19 (5) if the current address of the place of  
20 business of its current registered agent is to be changed, the  
21 new address of the place of business of the current registered  
22 agent and a statement that the new address is the same as the  
23 address of the limited liability company's registered office  
24 or, if there is a concurrent change in the address of the  
25 registered office, as the new address of the registered office;

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1 or

2 (6) if the address of its current registered  
3 office is to be changed, the new address to which the current  
4 registered office is to be changed and a statement that the new  
5 address is the same as the address of the place of business of  
6 the current registered agent of the limited liability company  
7 or, if there is a concurrent change of the current registered  
8 agent, of the successor registered agent of the limited  
9 liability company.

10 C. If a registered agent changes the address of the  
11 registered agent's business office, the registered agent may  
12 change the address of the registered office of any limited  
13 liability company for which the registered agent is the  
14 registered agent by notifying the limited liability company in  
15 writing of the change and signing, either manually or in  
16 facsimile, and delivering to the secretary of state for filing  
17 a statement that complies with this section but need not be  
18 responsive to Paragraph (4) of Subsection B of this section and  
19 recites that the company has been notified of the change.

20 D. If the secretary of state finds that the  
21 statement conforms to this section, the secretary of state  
22 shall file the statement in the secretary of state's office  
23 and, upon such filing, the change of registered agent, change  
24 of address of the registered office or change of the registered  
25 agent's place of business shall become effective and fulfill

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1 any requirement that such change be reported to the secretary  
2 of state.

3 E. A registered agent of a limited liability  
4 company may resign as registered agent by delivering a written  
5 notice, executed in duplicate, to the secretary of state, who  
6 shall deliver a copy of the notice to the limited liability  
7 company at its principal place of business as shown on the  
8 records of the secretary of state. The resigning registered  
9 agent's appointment terminates thirty days after receipt of the  
10 notice by the secretary of state or on the effective date of  
11 the appointment of a successor registered agent, whichever  
12 occurs first.

13 SECTION 116. [NEW MATERIAL] SERVICE OF PROCESS.--A  
14 limited liability company or a foreign limited liability  
15 company, regardless of whether registered under the Uniform  
16 Revised Limited Partnership Act, shall be served with process  
17 in the manner prescribed by law and the New Mexico Rules of  
18 Civil Procedure.

19 SECTION 117. [NEW MATERIAL] FILING, SERVICE AND COPYING  
20 FEES.--The secretary of state shall charge and collect, for:

21 A. filing the original certificate of organization  
22 and issuing a certificate of organization, a fee of fifty  
23 dollars (\$50.00);

24 B. filing amended or restated statements or plans  
25 of merger, interest exchange, conversion or domestication or of

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1 abandonment of statements or plans, a fee of fifty dollars  
2 (\$50.00);

3 C. filing original plans or statements of merger,  
4 conversion, interest exchange or domestication or of  
5 abandonment of statements or plans, a fee of one hundred  
6 dollars (\$100);

7 D. filing statements of dissolution or revocation  
8 of dissolution, a fee of twenty-five dollars (\$25.00);

9 E. issuing a certificate of good standing, a  
10 certificate of registration or a certificate for any purpose  
11 not otherwise specified, a fee of twenty-five dollars (\$25.00);

12 F. furnishing written information on any limited  
13 liability company, a fee of twenty-five dollars (\$25.00);

14 G. providing any number of pages of documents or  
15 instruments pertaining to one limited liability company, a fee  
16 of ten dollars (\$10.00); however, the secretary of state is  
17 required to furnish only one copy of each page at this fee;

18 H. providing a certification of documents or  
19 instruments pertaining to a limited liability company, a fee of  
20 twenty-five dollars (\$25.00);

21 I. accepting an application for reservation of a  
22 name or for filing a notice of the transfer of any name  
23 reservation, a fee of twenty dollars (\$20.00);

24 J. filing a statement of change of address of  
25 registered office or registered agent, or both, a fee of twenty

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1 dollars (\$20.00);

2 K. filing an agent's statement of change of address  
3 of registered agent, a fee of twenty dollars (\$20.00);

4 L. issuing a registration to a foreign limited  
5 liability company, a fee of one hundred dollars (\$100);

6 M. filing an amendment of the registration of a  
7 foreign limited liability company, a fee of fifty dollars  
8 (\$50.00);

9 N. filing an application for termination of  
10 registration of a foreign limited liability company and issuing  
11 a certificate of termination, a fee of twenty-five dollars  
12 (\$25.00);

13 O. filing a triennial report, a statement of  
14 correction or any other report, statement, instrument or  
15 document not otherwise specified, a fee of twenty dollars  
16 (\$20.00);

17 P. accepting an application for registration of a  
18 name by a foreign limited liability company not registered as a  
19 foreign limited liability company pursuant to the provisions of  
20 the Limited Liability Company Act or the Revised Uniform  
21 Limited Liability Company Act, a fee of one hundred dollars  
22 (\$100);

23 Q. filing an amendment, renewal or transfer of a  
24 registration of a name by a foreign limited liability company  
25 not registered as a foreign limited liability company pursuant

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1 to the provisions of the Limited Liability Company Act or the  
2 Revised Uniform Limited Liability Company Act, a fee of fifty  
3 dollars (\$50.00);

4 R. filing an application for reinstatement and  
5 issuing a statement of reinstatement, a fee of twenty-five  
6 dollars (\$25.00);

7 S. any check that is dishonored upon presentation,  
8 a fee of twenty dollars (\$20.00); and

9 T. expedited service or any other service for which  
10 no fee is established by law, the fee established by the  
11 secretary of state by rule.

12 SECTION 118. [NEW MATERIAL] DELIVERY OF RECORD.--Except  
13 as otherwise provided in the Revised Uniform Limited Liability  
14 Company Act, permissible means of delivery of a record include  
15 delivery by hand, mail, commercial delivery service and  
16 electronic transmission.

17 SECTION 119. [NEW MATERIAL] RESERVATION OF POWER TO AMEND  
18 OR REPEAL.--The legislature may amend or repeal all or part of  
19 the Revised Uniform Limited Liability Company Act, and all  
20 limited liability companies and foreign limited liability  
21 companies subject to that act are governed by the amendment or  
22 repeal.

23 ARTICLE 2

24 FORMATION; CERTIFICATE OF ORGANIZATION AND OTHER FILINGS

25 SECTION 201. [NEW MATERIAL] FORMATION OF LIMITED

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1 LIABILITY COMPANY--CERTIFICATE OF ORGANIZATION--FILING.--

2 A. One or more persons may act as organizers to  
3 form a limited liability company by delivering to the secretary  
4 of state for filing a certificate of organization.

5 B. A certificate of organization shall state:

6 (1) the name, which shall comply with Section  
7 112 of the Revised Uniform Limited Liability Company Act, of  
8 the limited liability company;

9 (2) the address of the company's registered  
10 office and the name of the registered agent at that office; and

11 (3) the address of the company's principal  
12 office.

13 C. A certificate of organization may contain  
14 statements as to matters other than those required by  
15 Subsection B of this section, but those statements shall not  
16 vary or otherwise affect the provisions specified in Subsection  
17 C or D of Section 105 of the Revised Uniform Limited Liability  
18 Company Act in a manner inconsistent with those sections.

19 D. The organizer or organizers of a limited  
20 liability company shall file with the secretary of state:

21 (1) the signed original of the certificate of  
22 organization, together with a duplicate copy, which may be  
23 signed, photocopied or conformed;

24 (2) the statement of the person appointed  
25 registered agent, accepting appointment as registered agent;

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1 and

2 (3) any other documents required to be filed  
3 under the Revised Uniform Limited Liability Company Act.

4 E. The secretary of state may accept a facsimile  
5 transmission for filing.

6 F. If the secretary of state determines that the  
7 documents delivered for filing conform with the Revised Uniform  
8 Limited Liability Company Act, the secretary of state shall,  
9 when all required filing fees have been paid:

10 (1) endorse on each signed original and  
11 duplicate copy the word "filed" and the date of its acceptance  
12 for filing;

13 (2) retain a signed original in the files of  
14 the secretary of state; and

15 (3) return each duplicate copy to the person  
16 who delivered it to the secretary of state or to that person's  
17 representative.

18 G. A limited liability company is formed when the  
19 certificate of organization is filed with the secretary of  
20 state or at a delayed date specified in the certificate of  
21 organization, which date shall be not more than ninety days  
22 after the filing of the certificate of organization with the  
23 secretary of state, if there has been substantial compliance  
24 with the requirements of the Revised Uniform Limited Liability  
25 Company Act.

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1           H. Each copy of the certificate of organization  
2 stamped "filed" and marked with the filing date is conclusive  
3 evidence that there has been substantial compliance with all  
4 conditions required to be performed by the organizers and that  
5 the limited liability company has been legally organized and  
6 formed pursuant to the Revised Uniform Limited Liability  
7 Company Act.

8           **SECTION 202. [NEW MATERIAL] AMENDMENT OR RESTATEMENT OF**  
9 **CERTIFICATE OF ORGANIZATION.--**

10           A. A certificate of organization may be amended or  
11 restated at any time.

12           B. To amend its certificate of organization, a  
13 limited liability company shall deliver to the secretary of  
14 state for filing an amendment stating:

15                   (1) the name of the company, which shall  
16 comply with Section 112 of the Revised Uniform Limited  
17 Liability Company Act;

18                   (2) the date of filing of its initial  
19 certificate; and

20                   (3) the text of the amendment.

21           C. To restate its certificate of organization to  
22 consolidate all amendments into a single document, a limited  
23 liability company shall deliver to the secretary of state for  
24 filing a restatement, designated as a restatement in its  
25 heading. The restatement may include one or more new

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1 amendments. The restated certificate of organization shall be  
2 designated as such in the heading and shall state either in the  
3 heading or in an introductory paragraph the limited liability  
4 company's present name and, if it has been changed, all of its  
5 former names and the date of the filing of its initial  
6 certificate of organization or original articles of  
7 organization. The restated certificate of organization  
8 supersedes the initial certificate of organization or original  
9 articles of organization and all previous amendments and  
10 restatements.

11 D. If the name of the limited liability company is  
12 to be changed or a member of a member-managed limited liability  
13 company or a manager of a manager-managed limited liability  
14 company knows that any information in a filed certificate of  
15 organization was inaccurate when the certificate was filed, the  
16 member or manager shall promptly:

- 17 (1) cause the certificate to be amended; or  
18 (2) if appropriate, deliver to the secretary  
19 of state for filing a statement of change in accordance with  
20 Section 115 of the Revised Uniform Limited Liability Company  
21 Act or a statement of correction in accordance with Section 209  
22 of that act.

23 SECTION 203. [NEW MATERIAL] SIGNING OF RECORDS TO BE  
24 DELIVERED FOR FILING TO SECRETARY OF STATE.--

25 A. A record delivered to the secretary of state for  
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1 filing under the Revised Uniform Limited Liability Company Act  
2 shall be signed as follows:

3 (1) except as otherwise provided in Paragraphs  
4 (2) and (3) of this subsection, a record signed by a limited  
5 liability company or a registered foreign limited liability  
6 company shall be signed by a person authorized by the company;

7 (2) a limited liability company's initial  
8 certificate of organization shall be signed by at least one  
9 person acting as an organizer;

10 (3) a record delivered on behalf of a  
11 dissolved limited liability company or a dissolved registered  
12 foreign limited liability company that has no member shall be  
13 signed by the person winding up the company's activities and  
14 affairs under Subsection C of Section 702 of that act or under  
15 similar provisions of the jurisdiction of formation of a  
16 dissolved registered foreign limited liability company or a  
17 person appointed under Subsection D of Section 702 of that act  
18 or under similar provisions of the jurisdiction of formation of  
19 a dissolved registered foreign limited liability company to  
20 wind up the activities and affairs; and

21 (4) any other record delivered on behalf of a  
22 person to the secretary of state for filing shall be signed by  
23 that person.

24 B. Any record delivered for filing under the  
25 Revised Uniform Limited Liability Company Act may be signed by

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1 an agent. When that act requires a particular individual to  
2 sign a record and the individual is deceased or incapacitated,  
3 the record may be signed by a legal representative of the  
4 individual.

5 C. A person that signs a record as an agent or a  
6 legal representative affirms as a fact that the person is  
7 authorized to sign the record. A person signing a record  
8 delivered for filing shall state beneath or opposite the  
9 person's signature, the person's name and the capacity in which  
10 the person signs the record. Powers of attorney relating to  
11 the preparation, execution or filing of a document need not be  
12 shown to or filed with the secretary of state.

13 SECTION 204. [NEW MATERIAL] SIGNING AND FILING PURSUANT  
14 TO JUDICIAL ORDER.--

15 A. If a person required by the Revised Uniform  
16 Limited Liability Company Act to sign a record or deliver a  
17 record to the secretary of state for filing under that act does  
18 not do so, any other person that is aggrieved may petition the  
19 court to order:

- 20 (1) the person to sign the record;  
21 (2) the person to deliver the record to the  
22 secretary of state for filing; or  
23 (3) the secretary of state to file the record  
24 unsigned.

25 B. If a petitioner under Subsection A of this

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1 section is not the limited liability company or foreign limited  
2 liability company to which the record pertains, the petitioner  
3 shall make the company or foreign company a party to the  
4 action.

5 C. A record filed under Paragraph (3) of Subsection  
6 A of this section is effective without being signed.

7 SECTION 205. [NEW MATERIAL] LIABILITY FOR INACCURATE  
8 INFORMATION IN FILED RECORD.--

9 A. If a record delivered to the secretary of state  
10 for filing under the Revised Uniform Limited Liability Company  
11 Act and filed by the secretary of state contains inaccurate  
12 information, a person that suffers a loss by reliance on the  
13 information may recover damages for the loss from:

14 (1) a person that signed the record, or caused  
15 another to sign it on the person's behalf, and knew the  
16 information to be inaccurate at the time that the record was  
17 signed; and

18 (2) subject to Subsection B of this section, a  
19 member of a member-managed limited liability company or a  
20 manager of a manager-managed limited liability company, if:

21 (a) the record was delivered for filing  
22 on behalf of the company; and

23 (b) the member or manager knew or had  
24 notice of the inaccuracy for a reasonably sufficient time  
25 before the information was relied upon so that, before the

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1 reliance, the member or manager reasonably could have: 1)  
2 effected an amendment under Section 202 of the Revised Uniform  
3 Limited Liability Company Act; 2) filed a petition under  
4 Section 204 of that act; or 3) delivered to the secretary of  
5 state for filing a statement of change under Section 115 of  
6 that act or a statement of correction under Section 209 of that  
7 act.

8 B. To the extent that the operating agreement of a  
9 member-managed limited liability company expressly relieves a  
10 member of responsibility for maintaining the accuracy of  
11 information contained in records delivered on behalf of the  
12 company to the secretary of state for filing under the Revised  
13 Uniform Limited Liability Company Act and imposes that  
14 responsibility on one or more other members, the liability  
15 stated in Paragraph (2) of Subsection A of this section applies  
16 to those other members and not to the member that the operating  
17 agreement relieves of the responsibility.

18 C. An individual who signs a record authorized or  
19 required to be filed under the Revised Uniform Limited  
20 Liability Company Act affirms under penalty of perjury that the  
21 information stated in the record is accurate.

22 SECTION 206. [NEW MATERIAL] FILING REQUIREMENTS.--

23 A. To be filed by the secretary of state under the  
24 Revised Uniform Limited Liability Company Act, a record shall  
25 be received by the secretary of state, comply with that act

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1 and:

2 (1) have its filing required or permitted by  
3 that act;

4 (2) be physically delivered in written form  
5 unless and to the extent that the secretary of state permits  
6 electronic delivery of records;

7 (3) have its words in English and its numbers  
8 in Arabic or Roman numerals. However, the name of an entity  
9 need not be in English if written in English letters or Arabic  
10 or Roman numerals;

11 (4) be signed by a person authorized or  
12 required by that act to sign the record; and

13 (5) state the name and capacity, if any, of  
14 each individual who signed the record, either on behalf of the  
15 individual or the person authorized or required to sign it, but  
16 the record need not contain a seal, attestation, acknowledgment  
17 or verification.

18 B. If a law other than the Revised Uniform Limited  
19 Liability Company Act prohibits the disclosure by the secretary  
20 of state of information contained in a record delivered to the  
21 secretary of state for filing, the secretary of state shall  
22 file the record if the record otherwise complies with the  
23 Revised Uniform Limited Liability Company Act. However, the  
24 secretary of state may redact the information whose disclosure  
25 is prohibited.

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1           C. When a record is delivered to the secretary of  
2 state for filing, a fee, tax, interest or penalty required to  
3 be paid under the Revised Uniform Limited Liability Company Act  
4 or other law shall be paid in a manner permitted by the  
5 secretary of state or required by that law.

6           D. A record delivered in written form shall be  
7 accompanied by a copy, which may be signed, photocopied or  
8 conformed.

9           E. The secretary of state may provide forms for  
10 filings that are required or permitted to be made by the  
11 Revised Uniform Limited Liability Company Act. However, except  
12 as otherwise provided in Subsection F of this section or unless  
13 otherwise specifically prescribed by other law, the use of such  
14 forms is not required.

15           F. The secretary of state may require that a cover  
16 sheet for a filing be on a form prescribed by the secretary of  
17 state.

18           SECTION 207. [NEW MATERIAL] EFFECTIVE DATE.--Except as  
19 otherwise provided in Paragraph (1) of Subsection C of Section  
20 209 of the Revised Uniform Limited Liability Company Act, and  
21 subject to Subsection D of Section 209 of that act, a record  
22 filed under that act is effective:

23           A. on the date of its filing by the secretary of  
24 state, as provided in Subsection B of Section 210 of that act;  
25 or

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1           B. at the specified delayed effective date, which  
2 shall not be more than ninety days after the date of filing.

3           **SECTION 208. [NEW MATERIAL] ELECTRONIC FILING AND**  
4 **CERTIFICATION OF DOCUMENTS--USE OF ELECTRONIC PAYMENT OF**  
5 **FEES.--**

6           A. The secretary of state may adopt rules  
7 permitting the electronic filing of documents, including  
8 original documents, and the certification of electronically  
9 filed documents when filing or certification is required or  
10 permitted under the Revised Uniform Limited Liability Company  
11 Act. The rules shall provide for the appropriate treatment of  
12 electronic filings for the purposes of satisfying requirements  
13 for original documents or copies and shall provide the  
14 requirements for signature with respect to electronic filings.  
15 If the secretary of state accepts the filing of a document by  
16 electronic transmission, the secretary of state may accept for  
17 filing a document containing a copy of a signature, however  
18 made.

19           B. The secretary of state may accept, in lieu of  
20 cash or check, a credit or debit card or other means of payment  
21 specified in the secretary of state's rules as payment of a  
22 fee, civil penalty or other financial liability required by the  
23 Revised Uniform Limited Liability Company Act. The secretary  
24 of state shall determine the credit or debit cards or other  
25 means of payment that may be accepted for payment.

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1           SECTION 209. [NEW MATERIAL] CORRECTING FILED RECORD.--

2           A. A person on whose behalf a filed record was  
3 delivered to the secretary of state for filing may correct the  
4 record if:

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

7                   (2) the record was defectively signed; or

8                   (3) the electronic transmission of the record  
9 to the secretary of state was defective.

10          B. To correct a filed record, a person on whose  
11 behalf the record was delivered to the secretary of state shall  
12 deliver to the secretary of state for filing a statement of  
13 correction.

14          C. A statement of correction shall:

15                   (1) not state a delayed effective date;

16                   (2) be signed by the person correcting the  
17 filed record;

18                   (3) identify the filed record to be corrected;

19                   (4) specify the inaccuracy or defect to be  
20 corrected; and

21                   (5) correct the inaccuracy or defect.

22          D. A statement of correction is effective as of the  
23 effective date of the filed record that it corrects except as  
24 to persons relying on the uncorrected filed record and  
25 adversely affected by the correction. For those purposes and

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1 as to those persons, the statement of correction is effective  
2 when filed.

3 SECTION 210. [NEW MATERIAL] DUTY OF SECRETARY OF STATE TO  
4 FILE--REVIEW OF REFUSAL TO FILE--APPEAL OF SECRETARY OF STATE  
5 DECISION--DELIVERY OF RECORD.--

6 A. The secretary of state shall file a record that  
7 complies with the Revised Uniform Limited Liability Company Act  
8 and that is delivered to the secretary of state for filing in  
9 compliance with Sections 206 and 208 and other applicable  
10 provisions of that act. The duty of the secretary of state  
11 stated in this section is ministerial.

12 B. When the secretary of state files a record, the  
13 secretary of state shall record it as filed on the date of its  
14 delivery. After filing a record, the secretary of state shall  
15 deliver to the person that submitted the record a copy of the  
16 record with an acknowledgment of the date of filing.

17 C. If the secretary of state refuses to file a  
18 record, the secretary of state shall, within fifteen business  
19 days after the record is delivered:

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

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

24 D. If the secretary of state refuses to file a  
25 record, the person that submitted the record may appeal the

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1 refusal pursuant to the provisions of Section 39-3-1.1 NMSA  
2 1978.

3 E. The filing of or refusal to file a record does  
4 not:

5 (1) affect the validity or invalidity of the  
6 record in whole or in part; or

7 (2) create a presumption that the information  
8 contained in the record is correct or incorrect.

9 F. Except as otherwise required by Section 116 of  
10 the Revised Uniform Limited Liability Company Act or by law  
11 other than that act, the secretary of state may deliver any  
12 record to a person by delivering it:

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

14 (2) to the person's address shown on the  
15 person's most recent triennial report or supplemental report  
16 filed with the secretary of state;

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

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

20 (5) to another address that the person  
21 provides to the secretary of state for delivery.

22 G. Delivery of a record to the secretary of state  
23 is effective only when it is received by the secretary of  
24 state.

25 H. Delivery of a record to a limited liability

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1 company, a foreign limited liability company or a person other  
2 than the secretary of state is effective at the earliest of:

3 (1) the date the person receives the record;

4 (2) the date shown on the return receipt, if  
5 signed by the company, foreign company or other person; or

6 (3) five days after the deposit of the record  
7 with the United States postal service, or with the commercial  
8 delivery service, if correctly addressed and with prepayment of  
9 sufficient postage or fees and charges.

10 SECTION 211. [NEW MATERIAL] CERTIFICATE OF GOOD STANDING  
11 OR REGISTRATION.--

12 A. The secretary of state may issue a certificate  
13 of good standing and compliance for a limited liability company  
14 or foreign limited liability company registered to do business  
15 in New Mexico. If the person requesting the issuance of any  
16 such certificate is the limited liability company that is the  
17 subject of the certificate, the secretary of state may require  
18 that all fees, taxes, interest and penalties due to the  
19 secretary of state at the time of the request be paid before  
20 such certificate is issued.

21 B. Except as otherwise provided in Subsection C of  
22 this section, all certificates issued by the secretary of state  
23 in accordance with the provisions of the Revised Uniform  
24 Limited Liability Company Act and all copies of documents filed  
25 in the secretary of state's office in accordance with the

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1 provisions of the Revised Uniform Limited Liability Company  
2 Act, when certified by the secretary of state, shall be taken  
3 and received in all courts, public offices and official bodies  
4 as prima facie evidence of the facts therein stated, and may be  
5 filed and recorded with the respective county clerks. A  
6 certificate by the secretary of state under the secretary of  
7 state's seal as to the existence or nonexistence of the facts  
8 relating to limited liability companies or foreign limited  
9 liability companies shall be taken and received in all courts,  
10 public offices and official bodies as prima facie evidence of  
11 the existence or nonexistence of the facts therein stated.

12 C. Subsection B of this section applies to  
13 certificates of organization, except that certificates of  
14 organization shall be taken as conclusive evidence of the facts  
15 described in Subsection H of Section 201 of the Revised Uniform  
16 Limited Liability Company Act.

17 D. The secretary of state has the power and  
18 authority reasonably necessary to enable the secretary of state  
19 to administer the Revised Uniform Limited Liability Company Act  
20 efficiently and to perform the duties therein imposed upon the  
21 secretary of state.

22 E. The secretary of state shall provide for the  
23 retention, storage and destruction of any document filed with  
24 the secretary of state.

25 SECTION 212. [NEW MATERIAL] TRIENNIAL REPORT FOR

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1 SECRETARY OF STATE.--

2 A. A limited liability company or registered  
3 foreign limited liability company shall deliver to the  
4 secretary of state for filing a triennial report that states:

5 (1) the name of the company or foreign  
6 company;

7 (2) the address of the principal office of the  
8 company or foreign company and the address of the principal  
9 office of the company or foreign company in New Mexico, if  
10 different;

11 (3) the address of the registered office of  
12 the company or foreign company in New Mexico and the name of  
13 its registered agent at that office;

14 (4) if the company or foreign company has  
15 officers, the names and addresses of its officers;

16 (5) in the case of a company, its name, which  
17 shall comply with Section 112 of the Revised Uniform Limited  
18 Liability Company Act; and

19 (6) in the case of a foreign company, its  
20 jurisdiction of formation and any alternate name adopted under  
21 Subsection A of Section 906 of the Revised Uniform Limited  
22 Liability Company Act.

23 B. Information in the triennial report shall be  
24 current as of the date that the report is signed by the limited  
25 liability company or registered foreign limited liability

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1 company.

2 C. The first triennial report shall be delivered to  
3 the secretary of state for filing by the end of the third  
4 calendar month that follows the date on which the limited  
5 liability company's certificate of organization became  
6 effective or the registered foreign limited liability company  
7 registered to do business in New Mexico. Each registered  
8 limited liability company and each foreign limited liability  
9 company shall deliver a subsequent triennial report to the  
10 secretary of state for filing every third year thereafter,  
11 during the calendar month in which the first report was filed.  
12 The secretary of state may provide by rule for the orderly  
13 transition over several years of the filing of first triennial  
14 reports for limited liability companies organized before July  
15 1, 2024 and for registered foreign limited liability companies  
16 registered before July 1, 2024.

17 D. If a triennial report does not contain the  
18 information required by this section, the secretary of state  
19 shall promptly notify the reporting limited liability company  
20 or registered foreign limited liability company of the  
21 deficiency in a record and return the report for correction.  
22 The corrected triennial report shall be delivered to the  
23 secretary of state for filing within thirty days after the  
24 secretary of state returns it for correction.

25 E. A supplemental report shall be filed with the

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1 secretary of state within thirty days if, after filing a  
2 triennial report, there is a change in the information  
3 contained in that report.

4 SECTION 213. [NEW MATERIAL] FAILURE TO FILE REPORTS--  
5 CANCELLATION OF CERTIFICATE OF ORGANIZATION OR REGISTRATION--  
6 NOTICE OF CANCELLATION--PENALTY.--

7 A. A limited liability company that is required to  
8 file a triennial report and that fails to submit the report  
9 within the time prescribed for a reporting period shall incur a  
10 civil penalty of two hundred dollars (\$200) in addition to the  
11 fee for filing the report. The civil penalty shall be paid  
12 upon filing the report. Sixty days after written notice of  
13 failure to file a report has been delivered to the limited  
14 liability company, the limited liability company may have its  
15 certificate of organization canceled by the secretary of state  
16 without further proceedings, unless the report is filed and all  
17 fees, taxes, interest and penalties due to the secretary of  
18 state are paid within that sixty-day period. The secretary of  
19 state shall file a notice of cancellation that shall state the  
20 effective date of cancellation and the grounds for  
21 cancellation, and the secretary of state shall deliver a copy  
22 of the notice to the limited liability company under Section  
23 210 of the Revised Uniform Limited Liability Company Act. The  
24 members, managers or other persons acting for the limited  
25 liability company whose certificate of organization has been

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1 canceled shall not carry on any activities for the limited  
2 liability company except as necessary to wind up its affairs  
3 and liquidate its assets under Sections 702 and 704 through 707  
4 of the Revised Uniform Limited Liability Company Act or to  
5 apply for reinstatement under Section 215 of that act and to  
6 seek judicial review of a denial of reinstatement under Section  
7 216 of that act.

8 B. A registered foreign limited liability company  
9 that is required to file a triennial report and that fails to  
10 submit the report within the time prescribed for a reporting  
11 period shall incur a civil penalty of two hundred dollars  
12 (\$200) in addition to the fee for filing the report. The civil  
13 penalty shall be paid upon filing the report. Sixty days after  
14 written notice of failure to file a report has been delivered  
15 to the registered foreign limited liability company's address  
16 as shown in the last triennial report or supplemental report  
17 filed with the secretary of state, the registered foreign  
18 limited liability company may have its registration to do  
19 business in New Mexico canceled by the secretary of state  
20 without further proceedings, unless the report is filed and all  
21 fees, taxes, interest and penalties due to the secretary of  
22 state are paid within that sixty-day period. The secretary of  
23 state shall file a notice of cancellation that shall state the  
24 effective date of cancellation and the grounds for  
25 cancellation, and the secretary of state deliver a copy of the

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1 notice to the company under Section 210 of the Revised Uniform  
2 Limited Liability Company Act. The authority of the registered  
3 foreign limited liability company to do business in New Mexico  
4 ceases on the effective date of the cancellation. Nothing in  
5 this section authorizes a forfeiture of the right or privilege  
6 of engaging in interstate commerce.

7 C. A limited liability company or registered  
8 foreign limited liability company that fails to submit the  
9 required report within the time prescribed for filing the  
10 supplemental report shall incur a civil penalty of two hundred  
11 dollars (\$200) in addition to the fee for filing the report.  
12 The civil penalty shall be paid upon filing the report.

13 SECTION 214. [NEW MATERIAL] CANCELED LIMITED LIABILITY  
14 COMPANIES STRICKEN FROM SECRETARY OF STATE FILES.--A limited  
15 liability company whose certificate of organization has been  
16 canceled by the secretary of state under Section 213 of the  
17 Revised Uniform Limited Liability Company Act shall be stricken  
18 from the files of the secretary of state without further  
19 proceedings. A registered foreign limited liability company  
20 whose registration to do business in New Mexico has been  
21 canceled by the secretary of state under that section shall be  
22 stricken from the files of the secretary of state without  
23 further proceedings. A limited liability company whose  
24 certificate of organization has been canceled and that has been  
25 stricken from the files of the secretary of state may seek

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1 reinstatement under Section 215 of the Revised Uniform Limited  
2 Liability Company Act and judicial review of a denial of  
3 reinstatement under Section 216 of the Revised Uniform Limited  
4 Liability Company Act. A registered foreign limited liability  
5 company whose registration to do business in New Mexico has  
6 been canceled and that has been stricken from the files of the  
7 secretary of state may seek reinstatement pursuant to Section  
8 911 of the Revised Uniform Limited Liability Company Act and  
9 judicial review of a denial of reinstatement pursuant to  
10 Section 912 of the Revised Uniform Limited Liability Company  
11 Act.

12 SECTION 215. [NEW MATERIAL] REINSTATEMENT.--

13 A. A limited liability company whose certificate of  
14 organization is canceled and that is stricken from the files of  
15 the secretary of state under Section 214 of the Revised Uniform  
16 Limited Liability Company Act may apply to the secretary of  
17 state for reinstatement within two years after the effective  
18 date of the striking of the company from the secretary of  
19 state's files. The application shall state:

- 20 (1) the name of the company at the time of the
- 21 striking of the company from the secretary of state's files;
- 22 (2) the address of the principal office of the
- 23 company;
- 24 (3) the address of its registered office and
- 25 the name of its registered agent at that office;

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1 (4) the effective date of the striking of the  
2 company from the secretary of state's files; and

3 (5) that the grounds for striking of the  
4 company from the secretary of state's files did not exist or  
5 have been cured.

6 B. To be reinstated, a limited liability company  
7 shall:

8 (1) pay all fees, taxes, interest and  
9 penalties that were due to the secretary of state at the time  
10 of the striking of the company from the secretary of state's  
11 files and all fees, taxes, interest and penalties that would  
12 have been due to the secretary of state while the company was  
13 stricken from the files of the secretary of state; and

14 (2) file with its application for  
15 reinstatement:

16 (i) a statement from the person  
17 appointed registered agent accepting appointment as registered  
18 agent;

19 (ii) proof that the grounds for striking  
20 the company from the secretary of state's records did not exist  
21 or have been cured; and

22 (iii) any other documents required to be  
23 filed under the Revised Uniform Limited Liability Company Act.

24 C. If the secretary of state determines that an  
25 application under Subsection A of this section contains the

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1 required information, is reasonably satisfied that the  
2 information is correct, determines that the documents required  
3 to be filed under Subsection B of this section conform with the  
4 requirements of the Revised Uniform Limited Liability Company  
5 Act and determines that all payments required to be made to the  
6 secretary of state under Subsection B of this section have been  
7 made, the secretary of state shall:

8 (1) cancel the cancellation of the limited  
9 liability company's certificate of organization and the  
10 striking of the company from the secretary's files and prepare  
11 a statement of reinstatement that states the secretary of  
12 state's determination of reinstatement and the effective date  
13 of reinstatement; and

14 (2) file the statement of reinstatement and  
15 deliver a copy to the limited liability company.

16 D. When reinstatement under this section is  
17 effective:

18 (1) the reinstatement relates back to and  
19 takes effect as of the effective date of the cancellation of  
20 the limited liability company's certificate of organization and  
21 the striking of the company from the secretary of state's  
22 files;

23 (2) the limited liability company resumes  
24 carrying on its activities and affairs as if the cancellation  
25 of the company's certificate of organization and the striking

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1 of the company from the secretary of state's files had not  
2 occurred; and

3 (3) the rights of a person arising out of an  
4 act or omission in reliance on the cancellation of the limited  
5 liability company's certificate of organization and the  
6 striking of the company from the secretary of state's files  
7 before the person knew or had notice of the reinstatement are  
8 not affected.

9 SECTION 216. [NEW MATERIAL] JUDICIAL REVIEW OF DENIAL OF  
10 REINSTATEMENT.--

11 A. If the secretary of state denies a limited  
12 liability company's application for reinstatement following the  
13 cancellation of the company's certificate of organization and  
14 the striking of the company from the secretary's files, the  
15 secretary of state shall deliver to the company a notice that  
16 briefly explains the reasons for the denial.

17 B. A limited liability company may appeal a denial  
18 of reinstatement pursuant to the provisions of Section 39-3-1.1  
19 NMSA 1978.

20 ARTICLE 3

21 RELATIONS OF MEMBERS AND MANAGERS

22 TO PERSONS DEALING WITH LIMITED LIABILITY COMPANY

23 SECTION 301. [NEW MATERIAL] NO AGENCY POWER OF MEMBER AS  
24 MEMBER.--

25 A. A member is not an agent of a limited liability  
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1 company solely by reason of being a member.

2 B. A person's status as a member does not prevent  
3 or restrict a law other than the Revised Uniform Limited  
4 Liability Company Act from imposing liability on a limited  
5 liability company because of the person's conduct.

6 SECTION 302. [NEW MATERIAL] LIABILITY OF MEMBERS AND  
7 MANAGERS.--

8 A. A debt, obligation or other liability of a  
9 limited liability company is solely the debt, obligation or  
10 other liability of the company. A member or manager is not  
11 personally liable, directly or indirectly, by way of  
12 contribution or otherwise, for a debt, obligation or other  
13 liability of the company solely by reason of being or acting as  
14 a member or manager. This subsection applies regardless of the  
15 dissolution of the company.

16 B. The failure of a limited liability company to  
17 observe formalities relating to the exercise of its powers or  
18 management of its activities and affairs is not a ground for  
19 imposing liability on a member or manager for a debt, an  
20 obligation or another liability of the company.

21 ARTICLE 4

22 RELATIONS OF MEMBERS TO EACH OTHER AND  
23 TO LIMITED LIABILITY COMPANY

24 SECTION 401. [NEW MATERIAL] BECOMING A MEMBER.--

25 A. If a limited liability company is to have only

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1 one member upon formation, the person becomes a member as  
2 agreed by that person and the organizer of the company. That  
3 person and the organizer may, but need not, be different  
4 persons. If different, the organizer acts on behalf of the  
5 initial member.

6 B. If a limited liability company is to have more  
7 than one member upon formation, those persons become members as  
8 agreed by the persons before the formation of the company. The  
9 organizer acts on behalf of the persons in forming the company  
10 and may, but need not, be one of the persons.

11 C. After formation of a limited liability company,  
12 a person becomes a member:

13 (1) as provided in the operating agreement;

14 (2) as the result of a transaction effective  
15 under Article 10 of the Revised Uniform Limited Liability  
16 Company Act;

17 (3) with the affirmative vote or consent of  
18 all of the members; or

19 (4) as provided in Paragraph (3) of Subsection  
20 A of Section 701 of that act.

21 D. A person may become a member without:

22 (1) acquiring a transferable interest; or

23 (2) making or being obligated to make a  
24 contribution to the limited liability company.

25 SECTION 402. [NEW MATERIAL] FORM OF CONTRIBUTION.--A

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1 contribution may consist of property transferred to, services  
2 performed for or another benefit provided to the limited  
3 liability company or an agreement to transfer property to,  
4 perform services for or provide another benefit to the company.

5 SECTION 403. [NEW MATERIAL] LIABILITY FOR  
6 CONTRIBUTIONS.--

7 A. A person's obligation to make a contribution to  
8 a limited liability company is not excused by the person's  
9 death, disability, termination or other inability to perform  
10 personally.

11 B. If a person does not fulfill an obligation to  
12 make a contribution other than money, the person is obligated  
13 at the option of the limited liability company to contribute  
14 money equal to the value of the part of the contribution that  
15 has not been made.

16 C. The obligation of a person to make a  
17 contribution may be compromised only by the affirmative vote or  
18 consent of all of the members. If a creditor of a limited  
19 liability company extends credit or otherwise acts in reliance  
20 on an obligation described in Subsection A of this section  
21 without knowledge or notice of a compromise under this  
22 subsection, the creditor may enforce the obligation.

23 SECTION 404. [NEW MATERIAL] SHARING OF AND RIGHT TO  
24 DISTRIBUTIONS BEFORE DISSOLUTION.--

25 A. A distribution made by a limited liability

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1 company before its dissolution and winding up shall be in equal  
2 shares among members and persons dissociated as members, except  
3 to the extent necessary to comply with a transfer effective  
4 under Section 502 of the Revised Uniform Limited Liability  
5 Company Act or charging order in effect under Section 503 of  
6 that act.

7 B. A person has a right to a distribution before  
8 the dissolution and winding up of a limited liability company  
9 only if the company decides to make an interim distribution. A  
10 person's dissociation does not entitle the person to a  
11 distribution.

12 C. A person does not have a right to demand or  
13 receive a distribution from a limited liability company in a  
14 form other than money. Except as otherwise provided in  
15 Subsection D of Section 707 of the Revised Uniform Limited  
16 Liability Company Act, a company may distribute an asset in  
17 kind only if each part of the asset is fungible with each other  
18 part and each person receives a percentage of the asset equal  
19 in value to the person's share of distributions.

20 D. If a member or transferee becomes entitled to  
21 receive a distribution, the member or transferee has the status  
22 of, and is entitled to all remedies available to, a creditor of  
23 the limited liability company with respect to the distribution.  
24 However, the company's obligation to make a distribution is  
25 subject to offset for any amount owed to the company by the

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1 member or a person dissociated as a member on whose account the  
2 distribution is made.

3 SECTION 405. [NEW MATERIAL] LIMITATIONS ON  
4 DISTRIBUTIONS.--

5 A. A limited liability company shall not make a  
6 distribution, including a distribution under Section 707 of the  
7 Revised Uniform Limited Liability Company Act, if after the  
8 distribution:

9 (1) the company would not be able to pay its  
10 debts as they become due in the ordinary course of the  
11 company's activities and affairs; or

12 (2) the company's total assets would be less  
13 than the sum of its total liabilities plus the amount that  
14 would be needed, if the company were to be dissolved and wound  
15 up at the time of the distribution, to satisfy the preferential  
16 rights upon dissolution and winding up of members and  
17 transferees whose preferential rights are superior to the  
18 rights of persons receiving the distribution.

19 B. A limited liability company may base a  
20 determination that a distribution is not prohibited under  
21 Subsection A of this section on:

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

25 (2) a fair valuation or other method that is

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1 reasonable under the circumstances.

2 C. Except as otherwise provided in Subsection E of  
3 this section, the effect of a distribution under Subsection A  
4 of this section is measured:

5 (1) in the case of a distribution as defined  
6 in Paragraph (2) of Subsection F of Section 102 of the Revised  
7 Uniform Limited Liability Company Act, as of the earlier of the  
8 date that:

9 (a) money or other property is  
10 transferred or debt is incurred by the limited liability  
11 company; or

12 (b) the person entitled to the  
13 distribution ceases to own the interest or right being acquired  
14 by the company in return for the distribution;

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

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

19 (a) distribution is authorized, if the  
20 payment occurs within one hundred twenty days after that date;  
21 or

22 (b) payment is made, if the payment  
23 occurs more than one hundred twenty days after the distribution  
24 is authorized.

25 D. A limited liability company's indebtedness to a  
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1 member or transferee incurred by reason of a distribution made  
2 in accordance with this section is at parity with the company's  
3 indebtedness to its general, unsecured creditors, except to the  
4 extent that it is subordinated by agreement.

5 E. A limited liability company's indebtedness,  
6 including indebtedness issued as a distribution, is not a  
7 liability for purposes of Subsection A of this section if the  
8 terms of the indebtedness provide that payment of principal and  
9 interest is made only if and to the extent that payment of a  
10 distribution could be made under this section. If the  
11 indebtedness is issued as a distribution, each payment of  
12 principal or interest is treated as a distribution, the effect  
13 of which is measured on the date the payment is made.

14 F. In measuring the effect of a distribution under  
15 Section 707 of the Revised Uniform Limited Liability Company  
16 Act, the liabilities of a dissolved limited liability company  
17 do not include a claim that has been disposed of under Section  
18 704, 705 or 706 of that act.

19 SECTION 406. [NEW MATERIAL] LIABILITY FOR IMPROPER  
20 DISTRIBUTIONS.--

21 A. Except as otherwise provided in Subsection B of  
22 this section, if a member of a member-managed limited liability  
23 company or manager of a manager-managed limited liability  
24 company consents to a distribution made in violation of Section  
25 405 of the Revised Uniform Limited Liability Company Act and in  
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1 consenting to the distribution fails to comply with Section 409  
2 of that act, the member or manager is personally liable to the  
3 company for the amount of the distribution that exceeds the  
4 amount that could have been distributed without the violation  
5 of Section 405 of that act.

6 B. To the extent that the operating agreement of a  
7 member-managed limited liability company expressly relieves a  
8 member of the authority and responsibility to consent to  
9 distributions and imposes that authority and responsibility on  
10 one or more other members, the liability stated in Subsection A  
11 of this section applies to the other members and not the member  
12 that the operating agreement relieves of the authority and  
13 responsibility.

14 C. A person that receives a distribution knowing  
15 that the distribution violated Section 405 of the Revised  
16 Uniform Limited Liability Company Act is personally liable to  
17 the limited liability company, but only to the extent that the  
18 distribution received by the person exceeded the amount that  
19 could have been properly paid under Section 405 of that act.

20 D. A person against which an action is commenced  
21 because the person is liable under Subsection A of this section  
22 may:

23 (1) implead any other person that is liable  
24 under that subsection and seek to enforce a right of  
25 contribution from the person; and

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1 (2) implead any person that received a  
2 distribution in violation of Subsection C of this section and  
3 seek to enforce a right of contribution from the person in the  
4 amount that the person received in violation of that  
5 subsection.

6 E. An action under this section is barred unless it  
7 is commenced within six years after the distribution.

8 SECTION 407. [NEW MATERIAL] MANAGEMENT OF LIMITED  
9 LIABILITY COMPANY.--

10 A. A limited liability company is a member-managed  
11 limited liability company unless the operating agreement:

12 (1) expressly provides that:

13 (a) the company is or will be "manager-  
14 managed";

15 (b) the company is or will be "managed  
16 by managers"; or

17 (c) management of the company is or will  
18 be "vested in managers"; or

19 (2) includes words of similar import.

20 B. In a member-managed limited liability company:

21 (1) except as expressly provided in the  
22 Revised Uniform Limited Liability Company Act, the management  
23 and conduct of the company are vested in the members;

24 (2) each member has equal rights in the  
25 management and conduct of the company's activities and affairs;

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1 (3) a difference arising among members as to a  
2 matter in the ordinary course of the activities and affairs of  
3 the company shall be decided by a majority of the members; and

4 (4) the affirmative vote or consent of all the  
5 members is required to:

6 (a) undertake an act outside the  
7 ordinary course of the activities and affairs of the company;  
8 or

9 (b) amend the operating agreement.

10 C. In a manager-managed limited liability company:

11 (1) except as expressly provided in the  
12 Revised Uniform Limited Liability Company Act, any matter  
13 relating to the activities and affairs of the company is  
14 decided exclusively by the manager or, if there is more than  
15 one manager, by a majority of the managers;

16 (2) each manager has equal rights in the  
17 management and conduct of the company's activities and affairs;

18 (3) a difference arising among managers as to  
19 a matter in the ordinary course of the activities and affairs  
20 of the company shall be decided by a majority of the managers;

21 (4) the affirmative vote or consent of all  
22 members is required to:

23 (a) undertake an act outside the  
24 ordinary course of the company's activities and affairs; or

25 (b) amend the operating agreement;

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1 (5) a manager may be chosen at any time by the  
2 affirmative vote or consent of a majority of the members and  
3 remains a manager until a successor has been chosen, unless the  
4 manager at an earlier time resigns, is removed, dies or, in the  
5 case of a manager that is not an individual, terminates. A  
6 manager may be removed, without notice or cause, at any time by  
7 the affirmative vote or consent of a majority of the members;

8 (6) a person need not be a member to be a  
9 manager, but the dissociation of a member that is also a  
10 manager removes the person as a manager. If a person that is  
11 both a manager and a member ceases to be a manager, that  
12 cessation does not by itself dissociate the person as a member;  
13 and

14 (7) a person's ceasing to be a manager does  
15 not discharge any debt, obligation or other liability to the  
16 limited liability company or members that the person incurred  
17 while a manager.

18 D. An action requiring the vote or consent of  
19 members under the Revised Uniform Limited Liability Company Act  
20 may be taken without a meeting, and a member may appoint a  
21 proxy or other agent to vote, consent or otherwise act for the  
22 member by signing an appointing record, personally or by the  
23 member's agent.

24 E. The dissolution of a limited liability company  
25 does not affect the applicability of this section. However, a

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1 person that wrongfully causes dissolution of the company loses  
2 the right to participate in management as a member and a  
3 manager.

4 F. A limited liability company shall reimburse a  
5 member for an advance to the company beyond the amount of  
6 capital that the member agreed to contribute.

7 G. A payment or advance made by a member that gives  
8 rise to an obligation of the limited liability company under  
9 Subsection F of this section or Subsection A of Section 408 of  
10 the Revised Uniform Limited Liability Company Act constitutes a  
11 loan to the company that accrues interest from the date of the  
12 payment or advance.

13 H. A member is not entitled to remuneration for  
14 services performed for a member-managed limited liability  
15 company, except for reasonable compensation for services  
16 rendered in winding up the activities of the company.

17 I. Unless otherwise restricted by the certificate  
18 of organization or operating agreement, managers of a limited  
19 liability company may participate in a meeting of the managers  
20 through remote communication by means of which all persons  
21 participating in the meeting can hear each other at the same  
22 time and participation through such communication shall  
23 constitute presence in person at a meeting.

24 J. Unless otherwise restricted by the certificate of  
25 organization or operating agreement, members of a limited

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1 liability company may participate in a meeting of the members  
2 through remote communication by means of which all persons  
3 participating in the meeting can hear each other at the same  
4 time and participation through such communication shall  
5 constitute presence in person at a meeting.

6 SECTION 408. [NEW MATERIAL] REIMBURSEMENT--  
7 INDEMNIFICATION--ADVANCEMENT--INSURANCE.--

8 A. A limited liability company shall reimburse a  
9 member of a member-managed company or the manager of a manager-  
10 managed company for any payment made by the member or manager  
11 in the course of the member's or manager's activities on behalf  
12 of the company if the member or manager complied with Sections  
13 405, 407 and 409 of the Revised Uniform Limited Liability  
14 Company Act in making the payment.

15 B. A limited liability company shall indemnify and  
16 hold harmless a person with respect to any claim or demand  
17 against the person and any debt, obligation or other liability  
18 incurred by the person by reason of the person's former or  
19 present capacity as a member or manager, if the claim, demand,  
20 debt, obligation or other liability does not arise from the  
21 person's breach of Section 405, 407 or 409 of the Revised  
22 Uniform Limited Liability Company Act.

23 C. In the ordinary course of its activities and  
24 affairs, a limited liability company may advance reasonable  
25 expenses, including attorney fees and costs, incurred by a

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1 person in connection with a claim or demand against the person  
2 by reason of the person's former or present capacity as a  
3 member or manager, if the person promises to repay the company  
4 if the person ultimately is determined not to be entitled to be  
5 indemnified as provided in Subsection B of this section.

6 D. A limited liability company may purchase and  
7 maintain insurance on behalf of a member or manager against  
8 liability asserted against or incurred by the member or manager  
9 in that capacity or arising from that status even if, under  
10 Paragraph (7) of Subsection C of Section 105 of the Revised  
11 Uniform Limited Liability Company Act, the operating agreement  
12 could not eliminate or limit the person's liability to the  
13 company for the conduct giving rise to the liability.

14 SECTION 409. [NEW MATERIAL] STANDARDS OF CONDUCT FOR  
15 MEMBERS AND MANAGERS.--

16 A. A member of a member-managed limited liability  
17 company owes to the company and, subject to Section 801 of the  
18 Revised Uniform Limited Liability Company Act, the other  
19 members the duties of loyalty and care stated in Subsections B  
20 and C of this section.

21 B. The fiduciary duty of loyalty of a member in a  
22 member-managed limited liability company includes the duties  
23 to:

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

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1 (a) in the conduct or winding up of the  
2 company's activities and affairs;

3 (b) from a use by the member of the  
4 company's property; or

5 (c) from the appropriation of a company  
6 opportunity;

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

11 (3) refrain from competing with the company in  
12 the conduct of the company's activities and affairs before the  
13 dissolution of the company.

14 C. The duty of care of a member of a member-managed  
15 limited liability company in the conduct or winding up of the  
16 company's activities and affairs is to refrain from engaging  
17 in:

18 (1) grossly negligent or reckless conduct;

19 (2) willful or intentional misconduct; and

20 (3) knowing violation of law.

21 D. A member shall discharge the duties and  
22 obligations under the Revised Uniform Limited Liability Company  
23 Act or the operating agreement and exercise any rights  
24 consistently with the contractual obligation of good faith and  
25 fair dealing.

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1           E. A member does not violate a duty or obligation  
2 under the Revised Uniform Limited Liability Company Act or the  
3 operating agreement solely because the member's conduct  
4 furthers the member's own interest.

5           F. All the members of a member-managed limited  
6 liability company or a manager-managed limited liability  
7 company may authorize or ratify, after full disclosure of all  
8 material facts, a specific act or transaction that otherwise  
9 would violate the duty of loyalty.

10           G. It is a defense to a claim under Paragraph (2)  
11 of Subsection B of this section and any comparable claim in  
12 equity or at common law that the transaction was fair to the  
13 limited liability company.

14           H. If, as permitted by Subsection F or Paragraph  
15 (6) of Subsection I of this section or the operating agreement,  
16 a member enters into a transaction with the limited liability  
17 company that otherwise would be prohibited by Paragraph (2) of  
18 Subsection B of this section, then the member's rights and  
19 obligations arising from the transaction are the same as those  
20 of a person that is not a member.

21           I. In a manager-managed limited liability company:

22                   (1) Subsections A, B, C and G of this section  
23 apply to the manager or managers and not the members;

24                   (2) the duty under Paragraph (3) of Subsection  
25 B of this section continues until winding up is completed;

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1 (3) Subsection D of this section applies to  
2 managers and members;

3 (4) Subsection E of this section applies only  
4 to members;

5 (5) the power to ratify under Subsection F of  
6 this section applies only to the members; and

7 (6) subject to Subsection D of this section, a  
8 member does not have a duty to the company or to any other  
9 member solely by reason of being a member.

10 SECTION 410. [NEW MATERIAL] RIGHTS TO INFORMATION OF  
11 MEMBER, MANAGER AND PERSON DISSOCIATED AS MEMBER.--

12 A. In a member-managed limited liability company:

13 (1) on reasonable notice, a member may inspect  
14 and copy during regular business hours, at a reasonable  
15 location specified by the company, any record maintained by the  
16 company regarding the company's activities, affairs, financial  
17 condition and other circumstances, to the extent that the  
18 information is material to the member's rights and duties under  
19 the operating agreement or the Revised Uniform Limited  
20 Liability Company Act;

21 (2) the company shall furnish to each member:

22 (a) without demand, any information  
23 concerning the company's activities, affairs, financial  
24 condition and other circumstances that the company knows and is  
25 material to the proper exercise of the member's rights and

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1 duties under the operating agreement or the Revised Uniform  
2 Limited Liability Company Act, except to the extent that the  
3 company can establish that it reasonably believes the member  
4 already knows the information; and

5 (b) on demand, any other information  
6 concerning the company's activities, affairs, financial  
7 condition and other circumstances, except to the extent that  
8 the demand for the information demanded is unreasonable or  
9 otherwise improper under the circumstances; and

10 (3) the duty to furnish information under  
11 Paragraph (2) of this subsection also applies to each member to  
12 the extent that the member knows any of the information  
13 described in that paragraph.

14 B. In a manager-managed limited liability company:

15 (1) the informational rights stated in  
16 Subsection A of this section and the duty stated in Paragraph  
17 (3) of Subsection A of this section apply to the managers and  
18 not the members;

19 (2) during regular business hours and at a  
20 reasonable location specified by the company, a member may  
21 inspect and copy information regarding the activities, affairs,  
22 financial condition and other circumstances of the company as  
23 is just and reasonable if:

24 (a) the member seeks the information for  
25 a purpose reasonably related to the member's interest as a

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1 member;

2 (b) the member makes a demand in a  
3 record received by the company, describing with reasonable  
4 particularity the information sought and the purpose for  
5 seeking the information; and

6 (c) the information sought is directly  
7 connected to the member's purpose;

8 (3) within ten days after receiving a demand  
9 under Subparagraph (b) of Paragraph (2) of this subsection, the  
10 company shall in a record inform the member that made the  
11 demand of:

12 (a) what information the company will  
13 provide in response to the demand and the place and time that  
14 the company will provide the information; and

15 (b) the company's reasons for declining,  
16 if the company declines to provide any demanded information;  
17 and

18 (4) whenever the Revised Uniform Limited  
19 Liability Company Act or an operating agreement provides for a  
20 member to vote on or give or withhold consent to a matter,  
21 before the vote is cast or consent is given or withheld, the  
22 company shall, without demand, provide the member with all  
23 information known to the company and material to the member's  
24 decision.

25 C. Subject to Subsection H of this section, on ten

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1 days' demand made in a record received by a limited liability  
2 company, a person dissociated as a member may have access to  
3 the information to which the person was entitled while a member  
4 if:

5 (1) the information pertains to the period  
6 during which the person was a member;

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

9 (3) the person satisfies the requirements  
10 imposed on a member by Paragraph (2) of Subsection B of this  
11 section.

12 D. A limited liability company shall respond to a  
13 demand made under Subsection C of this section in the manner  
14 provided in Paragraph (3) of Subsection B of this section.

15 E. A limited liability company may charge a person  
16 that makes a demand under this section the reasonable costs of  
17 labor and material for copying.

18 F. A member or person dissociated as a member may  
19 exercise the rights under this section through an agent or, in  
20 the case of an individual under legal disability, a legal  
21 representative. A restriction or condition imposed by the  
22 operating agreement or under Subsection H of this section  
23 applies both to the agent or legal representative and to the  
24 member or person dissociated as a member.

25 G. Subject to Section 504 of the Revised Uniform

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1 Limited Liability Company Act, the rights stated in this  
2 section do not extend to a person as transferee.

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

13 ARTICLE 5

14 TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

15 SECTION 501. [NEW MATERIAL] NATURE OF TRANSFERABLE  
16 INTEREST.--A transferable interest is personal property.

17 SECTION 502. [NEW MATERIAL] TRANSFER OF TRANSFERABLE  
18 INTEREST.--

19 A. A transfer, in whole or in part, of a  
20 transferable interest:

- 21 (1) is permissible;
- 22 (2) does not by itself cause a member's  
23 dissociation or a dissolution and winding up of the limited  
24 liability company's activities and affairs; and
- 25 (3) subject to Section 504 of the Revised

1 Uniform Limited Liability Company Act, does not entitle the  
2 transferee to:

3 (a) participate in the management or  
4 conduct of the company's activities and affairs; or

5 (b) except as otherwise provided in  
6 Subsection C of this section, have access to records or other  
7 information concerning the company's activities and affairs.

8 B. A transferee has the right to receive, in  
9 accordance with the transfer, distributions to which the  
10 transferor would otherwise be entitled.

11 C. In a dissolution and winding up of a limited  
12 liability company, a transferee is entitled to an account of  
13 the company's transactions only from the date of dissolution.

14 D. A transferable interest may be evidenced by a  
15 certificate of the interest issued by a limited liability  
16 company in a record, and, subject to the provisions of this  
17 section, the interest represented by a certificate may be  
18 transferred by a transfer of the certificate.

19 E. A limited liability company need not give effect  
20 to a transferee's rights under this section until the company  
21 knows or has notice of the transfer.

22 F. A transfer of a transferable interest in  
23 violation of a restriction on transfer contained in the  
24 operating agreement is ineffective if the intended transferee  
25 has knowledge or notice of the restriction at the time of

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1 transfer.

2 G. Except as otherwise provided in Paragraph (2) of  
3 Subsection D of Section 602 of the Revised Uniform Limited  
4 Liability Company Act, if a member transfers a transferable  
5 interest, the transferor retains the rights of a member other  
6 than the transferable interest transferred and retains all the  
7 duties and obligations of a member.

8 H. If a member transfers a transferable interest to  
9 a person that becomes a member with respect to the transferred  
10 interest, the transferee is liable for the member's obligations  
11 under Sections 403 and 406 of the Revised Uniform Limited  
12 Liability Company Act known to the transferee when the  
13 transferee becomes a member.

14 SECTION 503. [NEW MATERIAL] CHARGING ORDER.--

15 A. On application by a judgment creditor of a  
16 member or transferee, a court may enter a charging order  
17 against the transferable interest of the judgment debtor for  
18 the unsatisfied amount of the judgment. A charging order  
19 constitutes a lien on a judgment debtor's transferable interest  
20 and requires the limited liability company to pay over to the  
21 person to which the charging order was issued any distribution  
22 that otherwise would be paid to the judgment debtor.

23 B. To the extent necessary to effectuate the  
24 collection of distributions under a charging order in effect  
25 under Subsection A of this section, the court may appoint a

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1 receiver of the distributions subject to the charging order  
2 with the power to make all inquiries that the judgment debtor  
3 might have made.

4 C. Upon a showing that distributions under a  
5 charging order will not pay the judgment debt within a  
6 reasonable time, the court may foreclose the lien and order the  
7 sale of the transferable interest. The purchaser at the  
8 foreclosure sale obtains only the transferable interest, does  
9 not thereby become a member and is subject to Section 502 of  
10 the Revised Uniform Limited Liability Company Act.

11 D. At any time before foreclosure under Subsection  
12 C of this section, the member or transferee whose transferable  
13 interest is subject to a charging order issued under Subsection  
14 A of this section may extinguish the charging order by  
15 satisfying the judgment and filing a certified copy of the  
16 satisfaction with the court that issued the charging order.

17 E. At any time before foreclosure under Subsection  
18 C of this section, a limited liability company or one or more  
19 members whose transferable interests are not subject to the  
20 charging order may pay to the judgment creditor the full amount  
21 due under the judgment and thereby succeed to the rights of the  
22 judgment creditor, including the charging order.

23 F. The Revised Uniform Limited Liability Company  
24 Act does not deprive a member or transferee of the benefit of  
25 any exemption law applicable to the transferable interest of

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1 the member or transferee.

2 G. This section provides the exclusive remedy by  
3 which a person seeking in the capacity of judgment creditor to  
4 enforce a judgment against a member or transferee may satisfy  
5 the judgment from the judgment debtor's transferable interest.

6 SECTION 504. [NEW MATERIAL] POWER OF LEGAL REPRESENTATIVE  
7 OF DECEASED MEMBER.--If a member dies, the deceased member's  
8 legal representative may exercise:

9 A. the rights of a transferee provided in  
10 Subsection C of Section 502 of the Revised Uniform Limited  
11 Liability Company Act; and

12 B. for the purposes of settling the estate, the  
13 rights that the deceased member had under Section 410 of that  
14 act.

15 ARTICLE 6

16 DISSOCIATION

17 SECTION 601. [NEW MATERIAL] POWER TO DISSOCIATE AS  
18 MEMBER--WRONGFUL DISSOCIATION.--

19 A. A person may dissociate as a member at any time,  
20 rightfully or wrongfully, by withdrawing as a member by express  
21 will under Subsection A of Section 602 of the Revised Uniform  
22 Limited Liability Company Act.

23 B. A person's dissociation as a member is wrongful  
24 only if the dissociation:

25 (1) is in breach of an express provision of

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1 the operating agreement; or

2 (2) occurs before the completion of the  
3 winding up of the limited liability company and:

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

6 (b) the person is expelled as a member  
7 by judicial order under Subsection F of Section 602 of the  
8 Revised Uniform Limited Liability Company Act;

9 (c) the person is dissociated under  
10 Subsection H of Section 602 of that act; or

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

15 C. A person that wrongfully dissociates as a member  
16 is liable to the limited liability company and, subject to  
17 Section 801 of the Revised Uniform Limited Liability Company  
18 Act, to the other members for damages caused by the  
19 dissociation. The liability is in addition to any debt,  
20 obligation or other liability of the member to the company or  
21 the other members.

22 SECTION 602. [NEW MATERIAL] EVENTS CAUSING  
23 DISSOCIATION.--A person is dissociated as a member when:

24 A. the limited liability company knows or has  
25 notice of the person's express will to withdraw as a member,

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1 but if the person has specified a withdrawal date later than  
2 the date the company knew or had notice, on that later date;

3 B. an event stated in the operating agreement as  
4 causing the person's dissociation occurs;

5 C. the person is expelled as a member under the  
6 operating agreement;

7 D. the person is expelled as a member by the  
8 affirmative vote or consent of all the other members if:

9 (1) it is unlawful to carry on the limited  
10 liability company's activities and affairs with the person as a  
11 member;

12 (2) there has been a transfer of all the  
13 person's transferable interest in the company other than a:

14 (a) transfer for security purposes; or

15 (b) charging order in effect under  
16 Section 503 of the Revised Uniform Limited Liability Company  
17 Act that has not been foreclosed;

18 (3) the person is an entity and:

19 (a) the company notifies the person that  
20 the person will be expelled as a member because the person has  
21 filed a statement of dissolution or the equivalent, the person  
22 has been administratively dissolved, the person's charter or  
23 the equivalent has been revoked or the person's right to  
24 conduct business has been suspended by the person's  
25 jurisdiction of formation; and

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1 (b) within ninety days after the  
2 notification: 1) the statement of dissolution or the  
3 equivalent has not been withdrawn, rescinded or revoked; 2) the  
4 person has not been reinstated; or 3) the person's charter or  
5 the equivalent or right to conduct business has not been  
6 reinstated; or

7 (4) the person is an unincorporated entity  
8 that has been dissolved and whose activities and affairs are  
9 being wound up;

10 E. on application by the limited liability company  
11 or a member in a direct action taken under Section 801 of the  
12 Revised Uniform Limited Liability Company Act, the person is  
13 expelled as a member by judicial order because the person:

14 (1) has engaged or is engaging in wrongful  
15 conduct that has affected adversely and materially, or will  
16 affect adversely and materially, the company's activities and  
17 affairs;

18 (2) has committed willfully or persistently,  
19 or is committing willfully and persistently, a material breach  
20 of the operating agreement or a duty or obligation under  
21 Section 409 of the Revised Uniform Limited Liability Company  
22 Act; or

23 (3) has engaged in or is engaging in conduct  
24 relating to the company's activities and affairs that makes it  
25 not reasonably practicable to carry on the activities and

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1 affairs with the person as a member;

2 F. in the case of an individual:

3 (1) the individual dies; or

4 (2) in a member-managed limited liability

5 company:

6 (a) a guardian or general conservator  
7 for the individual is appointed; or

8 (b) a court orders that the individual  
9 has otherwise become incapable of performing the individual's  
10 duties as a member under the Revised Uniform Limited Liability  
11 Company Act or the operating agreement;

12 G. in a member-managed limited liability company,  
13 the person:

14 (1) becomes a debtor in bankruptcy;

15 (2) signs an assignment for the benefit of  
16 creditors; or

17 (3) seeks, consents to or acquiesces in the  
18 appointment of a trustee, receiver or liquidator of the person  
19 or of all or substantially all the person's property;

20 H. in the case of a person that is a testamentary  
21 or inter vivos trust or is acting as a member by virtue of  
22 being a trustee of such a trust, the trust's entire  
23 transferable interest in the limited liability company is  
24 distributed;

25 I. in the case of a person that is an estate or is

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1 acting as a member by virtue of being a personal representative  
2 of an estate, the estate's entire transferable interest in the  
3 limited liability company is distributed;

4 J. in the case of a person that is not an  
5 individual, the existence of the person terminates;

6 K. the limited liability company participates in a  
7 merger under Article 10 of the Revised Uniform Limited  
8 Liability Company Act and:

9 (1) the company is not the surviving entity;  
10 or

11 (2) otherwise as a result of the merger, the  
12 person ceases to be a member;

13 L. the limited liability company participates in an  
14 interest exchange under Article 10 of the Revised Uniform  
15 Limited Liability Company Act and, as a result of the interest  
16 exchange, the person ceases to be a member;

17 M. the limited liability company participates in a  
18 conversion under Article 10 of the Revised Uniform Limited  
19 Liability Company Act;

20 N. the limited liability company participates in a  
21 domestication under Article 10 of the Revised Uniform Limited  
22 Liability Company Act and, as a result of the domestication,  
23 the person ceases to be a member; or

24 O. the limited liability company dissolves and  
25 completes winding up.

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1           SECTION 603. [NEW MATERIAL] EFFECT OF DISSOCIATION.--

2           A. If a person is dissociated as a member:

3                   (1) the person's right to participate as a  
4 member in the management and conduct of the limited liability  
5 company's activities and affairs terminates;

6                   (2) the person's duties and obligations as a  
7 member under Section 409 of the Revised Uniform Limited  
8 Liability Company Act end with regard to matters arising and  
9 events occurring after the person's dissociation; and

10                   (3) subject to Section 504 and Article 10 of  
11 that act, a transferable interest owned by the person in the  
12 person's capacity as a member immediately before dissociation  
13 is owned by the person solely as a transferee.

14           B. A person's dissociation as a member does not of  
15 itself discharge the person from debt, an obligation or another  
16 liability to the limited liability company or the other members  
17 that the person incurred while a member.

18                                   ARTICLE 7

19                                   DISSOLUTION AND WINDING UP

20           SECTION 701. [NEW MATERIAL] EVENTS CAUSING DISSOLUTION.--

21           A. A limited liability company is dissolved and its  
22 activities and affairs shall be wound up upon the occurrence  
23 of:

24                   (1) an event or circumstance that the  
25 operating agreement states causes dissolution;

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1 (2) the affirmative vote or consent of all  
2 the members;

3 (3) the passage of ninety consecutive days  
4 during which the company has no members, unless before the end  
5 of the period:

6 (a) consent to admit at least one  
7 specified person as a member is given by transferees owning the  
8 rights to receive a majority of distributions as transferees at  
9 the time the consent is to be effective; and

10 (b) at least one person becomes a member  
11 in accordance with the consent;

12 (4) on application by a member, the entry by  
13 the court of an order dissolving the company on the grounds  
14 that:

15 (a) the conduct of all or substantially  
16 all the company's activities and affairs is unlawful;

17 (b) it is not reasonably practicable to  
18 carry on the company's activities and affairs in conformity  
19 with the certificate of organization and the operating  
20 agreement; or

21 (c) the managers or those members in  
22 control of the company: 1) have acted, are acting or will act  
23 in a manner that is illegal or fraudulent; or 2) have acted or  
24 are acting in a manner that is oppressive and was, is or will  
25 be directly harmful to the applicant;

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1 (5) the signing and filing of a statement of  
2 administrative dissolution by the secretary of state under  
3 Section 708 of the Revised Uniform Limited Liability Company  
4 Act; or

5 (6) the filing of a notice of cancellation by  
6 the secretary of state under Section 213 of the Revised Uniform  
7 Limited Liability Company Act.

8 B. In a proceeding brought under Subparagraph (c)  
9 of Paragraph (4) of Subsection A of this section, the court may  
10 order a remedy other than dissolution.

11 SECTION 702. [NEW MATERIAL] WINDING UP--STATEMENT OF  
12 DISSOLUTION.--

13 A. A dissolved limited liability company shall wind  
14 up its activities and affairs and, except as otherwise provided  
15 in Section 703 of the Revised Uniform Limited Liability Company  
16 Act, the company continues after dissolution only for the  
17 purpose of winding up.

18 B. In winding up its activities and affairs, a  
19 limited liability company:

20 (1) shall discharge the company's debts,  
21 obligations and other liabilities, settle and close the  
22 company's activities and affairs and marshal and distribute the  
23 assets of the company; and

24 (2) may:

25 (a) deliver to the secretary of state

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1 for filing a statement of dissolution stating the name of the  
2 company and that the company is dissolved;

3 (b) preserve the company activities,  
4 affairs and property as a going concern for a reasonable time;

5 (c) prosecute and defend actions and  
6 proceedings, whether civil, criminal or administrative;

7 (d) transfer the company's property;

8 (e) settle disputes by mediation or  
9 arbitration;

10 (f) deliver to the secretary of state  
11 for filing a statement of termination stating the name of the  
12 company and that the company is terminated; and

13 (g) perform other acts necessary or  
14 appropriate to the winding up.

15 C. If a dissolved limited liability company has no  
16 members, the legal representative of the last person to have  
17 been a member may wind up the activities and affairs of the  
18 company. If the person does so, the person has the powers of a  
19 sole manager under Subsection C of Section 407 of the Revised  
20 Uniform Limited Liability Company Act and is deemed to be a  
21 manager under Subsection A of Section 304 of that act.

22 D. If the legal representative under Subsection C  
23 of this section declines or fails to wind up the limited  
24 liability company's activities and affairs, a person may be  
25 appointed to do so by the consent of transferees owning a

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1 majority of the rights to receive distributions as transferees  
2 at the time the consent is to be effective. A person appointed  
3 under this subsection:

4 (1) has the powers of a sole manager under  
5 Subsection C of Section 407 of the Revised Uniform Limited  
6 Liability Company Act and is deemed to be a manager for the  
7 purposes of Subsection A of Section 304 of that act; and

8 (2) shall deliver promptly to the secretary of  
9 state for filing an amendment to the company's certificate of  
10 organization stating:

11 (a) the name, which shall comply with  
12 Section 112 of the Revised Uniform Limited Liability Company  
13 Act;

14 (b) the dates of filing of its  
15 certificate of authority and all amendments and restatements;

16 (c) that the company has no members;

17 (d) the name and address of the person;

18 and

19 (e) that the person has been appointed  
20 under this subsection to wind up the company.

21 E. The court may order judicial supervision of the  
22 winding up of a dissolved limited liability company, including  
23 the appointment of a person to wind up the company's activities  
24 and affairs:

25 (1) on the application of a member, if the

1 applicant establishes good cause;

2 (2) on the application of a transferee, if:

3 (a) the company does not have any  
4 members;

5 (b) the legal representative of the last  
6 person to have been a member declines or fails to wind up the  
7 company's activities; and

8 (c) within a reasonable time following  
9 the dissolution, a person has not been appointed under  
10 Subsection C of this section; or

11 (3) in connection with a proceeding under  
12 Paragraph (4) of Subsection A of Section 701 of the Revised  
13 Uniform Limited Liability Company Act.

14 F. On the dissolution of a limited liability  
15 company, persons with authority pursuant to the provisions of  
16 Subsection A, B, C, D or E of this section to wind up its  
17 business and affairs shall sign and deliver, to the secretary  
18 of state for filing, a statement of dissolution.

19 G. The statement of dissolution shall state:

20 (1) the name of the limited liability company;

21 (2) the dates of filing the statement of  
22 organization and all amendments and restatements to the  
23 statement of organization;

24 (3) the event causing the dissolution;

25 (4) the effective date, which shall be a date

1 certain, of the statement of dissolution if the statement of  
2 dissolution is not to be effective on filing;

3 (5) the name and address of each person who  
4 has the authority to act for the limited liability company in  
5 connection with the winding up of its business and affairs;

6 (6) confirmation that the limited liability  
7 company has resigned as a registered agent or is not currently  
8 a registered agent for any entity registered in New Mexico;

9 (7) whether a court proceeding has been filed  
10 in connection with the dissolution of the limited liability  
11 company pursuant to the provisions of Section 706 of the  
12 Revised Uniform Limited Liability Company Act; and

13 (8) any other information persons signing the  
14 statement of dissolution choose to include.

15 H. After the statement of dissolution has been  
16 filed, only a person named in the statement of dissolution as  
17 having authority to act for the limited liability company in  
18 connection with the winding up of its business and affairs  
19 shall have such authority, including the authority to bind the  
20 limited liability company, do business on its behalf, act as  
21 its agent and execute any instrument for it and in its name.

22 I. A statement of dissolution that has been filed  
23 may be amended at any time and from time to time or revoked at  
24 any time and, unless an amendment or revocation states  
25 otherwise, it shall be effective upon delivery to the office of

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1 the secretary of state for filing.

2 SECTION 703. [NEW MATERIAL] REVOKING DISSOLUTION.--

3 A. Unless a statement of termination or notice of  
4 cancellation applicable to the limited liability company is  
5 effective, the court has entered an order dissolving the  
6 company under Paragraph (4) of Subsection A of Section 701 of  
7 the Revised Uniform Limited Liability Company Act or the  
8 secretary of state has dissolved the company under Section 708  
9 of that act, a limited liability company may revoke its  
10 dissolution.

11 B. Revoking dissolution under this section  
12 requires:

13 (1) the affirmative vote or consent of each  
14 member; and

15 (2) delivery to the secretary of state for  
16 filing a statement of revocation stating the name of the  
17 company and that dissolution has been rescinded under this  
18 section.

19 C. If a limited liability company revokes its  
20 dissolution:

21 (1) the company resumes carrying on its  
22 activities and affairs as if dissolution had never occurred;

23 (2) subject to Paragraph (3) of this  
24 subsection, any liability incurred by the company after the  
25 dissolution and before the revocation is effective is

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1 determined as if dissolution had never occurred; and

2 (3) the rights of a third party arising out of  
3 conduct in reliance on the dissolution before the third party  
4 knew or had notice of the revocation shall not be adversely  
5 affected.

6 SECTION 704. [NEW MATERIAL] KNOWN CLAIMS AGAINST  
7 DISSOLVED LIMITED LIABILITY COMPANY.--

8 A. Except as otherwise provided in Subsection D of  
9 this section, a dissolved limited liability company may give  
10 notice of a known claim under Subsection B of this section,  
11 which has the effect provided in Subsection C of this section.

12 B. A dissolved limited liability company shall  
13 notify its known claimants in writing of the dissolution. The  
14 notice shall:

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

17 (2) state that a claim shall be in writing and  
18 provide an address to which the claim is to be sent;

19 (3) state the deadline for receipt of a claim,  
20 which shall not be earlier than the later of one hundred twenty  
21 days after the date the statement of dissolution was delivered  
22 to the secretary of state for filing pursuant to the provisions  
23 of Section 702 of the Revised Uniform Limited Liability Company  
24 Act, or, if the dissolution was not effective on such delivery  
25 date, one hundred twenty days after the effective date stated

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1 in the statement of dissolution;

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

4 (5) state the effective date that will apply  
5 to any rejection notice that the limited liability company may  
6 give upon receipt of any claim.

7 C. A claim against a dissolved limited liability  
8 company is barred if the requirements of Subsection B of this  
9 section are met and:

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

12 (2) if the claim is timely received but  
13 rejected by the company:

14 (a) the company delivers to the claimant  
15 a rejection notice in writing stating that the claim is  
16 rejected and will be barred unless the claimant commences an  
17 action against the company to enforce the claim within ninety  
18 days after the effective date of the rejection notice, which  
19 shall be stated in the notice; and

20 (b) the claimant does not commence the  
21 required action within the ninety days after the effective date  
22 of the rejection notice.

23 D. This section does not apply to a claim based on  
24 an event occurring after the date of dissolution or a liability  
25 that on that date is contingent.

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1           SECTION 705.   ~~[NEW MATERIAL]~~ OTHER CLAIMS AGAINST

2 DISSOLVED LIMITED LIABILITY COMPANY.--

3           A. A dissolved limited liability company may  
4 publish notice of its dissolution and request persons having  
5 claims against the company to present them in accordance with  
6 the notice.

7           B. A notice under Subsection A of this section  
8 shall:

9                   (1) be published once in a newspaper of  
10 general circulation in the county in New Mexico in which the  
11 dissolved limited liability company's principal office in New  
12 Mexico is or was last located or, if the limited liability  
13 company has had no principal office in New Mexico, in the  
14 county in New Mexico in which the office of the company's  
15 registered agent is or was last located;

16                   (2) describe the information required to be  
17 contained in a claim, state that the claim must be in writing  
18 and provide an address to which the claim is to be sent; and

19                   (3) state that a claim against the company is  
20 barred unless an action to enforce the claim is commenced  
21 within three years after publication of the notice.

22           C. If a dissolved limited liability company  
23 publishes a notice in accordance with Subsection B of this  
24 section and delivers to the secretary of state for filing a  
25 statement of dissolution under Section 702 of the Revised

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1 Uniform Limited Liability Company Act, the claim of each of the  
2 following claimants is barred unless the claimant commences an  
3 action to enforce the claim against the company within three  
4 years after the publication date of the notice:

5 (1) a claimant that did not receive notice in  
6 a record under Subsection B or C of Section 704 of the Revised  
7 Uniform Limited Liability Company Act;

8 (2) a claimant that received notice in a  
9 record that did not comply with Subsection B or C of Section  
10 704 of the Revised Uniform Limited Liability Company Act;

11 (3) a claimant whose claim was timely sent to  
12 the company but not acted on; and

13 (4) a claimant whose claim is contingent at,  
14 or based on an event occurring after, the date of dissolution.

15 D. A claim not barred under this section or Section  
16 704 of the Revised Uniform Limited Liability Company Act may be  
17 enforced:

18 (1) against a dissolved limited liability  
19 company, to the extent of its undistributed assets; and

20 (2) except as otherwise provided in Section  
21 706 of that act, if assets of the company have been distributed  
22 after dissolution, against a member or transferee to the extent  
23 of that person's proportionate share of the claim or of the  
24 fair market value company's assets distributed to the member or  
25 transferee after dissolution determined as of the times of the

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1 distributions, whichever is less. However, a person's total  
2 liability for all claims under this paragraph shall not exceed  
3 the total amount of assets distributed to the person after  
4 dissolution, determined as of the times of the distributions.

5 SECTION 706. [NEW MATERIAL] COURT PROCEEDINGS.--

6 A. A dissolved limited liability company that has  
7 published a notice under Section 705 of the Revised Uniform  
8 Limited Liability Company Act may file an application with the  
9 court in the county in New Mexico where the company's principal  
10 office in New Mexico is or was last located or, if the limited  
11 liability company has had no principal office in New Mexico,  
12 where the office of its registered agent is or was last  
13 located, for a determination of the amount and form of security  
14 to be provided for payment of claims that are reasonably  
15 expected to arise after the date of dissolution based on facts  
16 known to the company and:

17 (1) at the time of application:

18 (a) are contingent; or

19 (b) have not been made known to the  
20 company; or

21 (2) are based on an event occurring after the  
22 date of dissolution.

23 B. Security is not required for any claim that is  
24 or is reasonably anticipated to be barred under Section 705 of  
25 the Revised Uniform Limited Liability Company Act.

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1 C. Within twenty days after the filing of an  
2 application under Subsection A of this section, the dissolved  
3 limited liability company shall give notice of the proceeding  
4 to each claimant holding a contingent claim known to the  
5 company.

6 D. In a proceeding under this section, the court  
7 may appoint a guardian ad litem to represent all claimants  
8 whose identities are unknown. The reasonable fees and expenses  
9 of the guardian, including all reasonable expert witness fees,  
10 shall be paid by the dissolved limited liability company.

11 E. A dissolved limited liability company that  
12 provides security in the amount and form ordered by the court  
13 under Subsection A of this section satisfies the company's  
14 obligations with respect to claims that are contingent, have  
15 not been made known to the company or are based on an event  
16 occurring after the date of dissolution, and such claims shall  
17 not be enforced against a member or transferee on account of  
18 assets received in liquidation.

19 SECTION 707. [NEW MATERIAL] DISPOSITION OF ASSETS IN  
20 WINDING UP.--

21 A. In winding up its activities and affairs, a  
22 limited liability company shall apply its assets to discharge  
23 its obligations to creditors, including members that are  
24 creditors.

25 B. After a limited liability company complies with  
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1 Subsection A of this section, any surplus shall be distributed  
2 in the following order, subject to any charging order in effect  
3 under Section 503 of the Revised Uniform Limited Liability  
4 Company Act:

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

9 (2) among persons owning transferable  
10 interests, in proportion to their respective rights to share in  
11 distributions immediately before the dissolution of the  
12 company.

13 C. If a limited liability company does not have  
14 sufficient surplus to comply with Paragraph (1) of Subsection B  
15 of this section, any surplus shall be distributed among the  
16 owners of transferable interests in proportion to the value of  
17 the respective unreturned contributions.

18 D. All distributions made under Subsections B and C  
19 of this section shall be paid in money.

20 SECTION 708. [NEW MATERIAL] ADMINISTRATIVE DISSOLUTION.--

21 A. The secretary of state may commence a proceeding  
22 under Subsection B of this section to dissolve a limited  
23 liability company administratively if the company does not:

24 (1) pay, within sixty days after it is due, a  
25 fee, tax, interest or penalty required to be paid to the

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1 secretary of state;

2 (2) have a registered agent or registered  
3 office in New Mexico for thirty consecutive days; or

4 (3) deliver to the secretary of state for  
5 filing a statement of change pursuant to Section 115 of the  
6 Revised Uniform Limited Liability Company Act within thirty  
7 days after a change has occurred in the address of its  
8 registered office in New Mexico or the name of its registered  
9 agent at that office.

10 B. If the secretary of state determines that one or  
11 more grounds exist for administratively dissolving a limited  
12 liability company, the secretary of state shall deliver to the  
13 company a notice in a record of the secretary of state's  
14 determination.

15 C. If, within sixty days after service of the  
16 notice under Subsection B of this section, a limited liability  
17 company does not cure or demonstrate to the satisfaction of the  
18 secretary of state the nonexistence of each ground determined  
19 by the secretary of state, the secretary of state shall  
20 administratively dissolve the company by signing a statement of  
21 administrative dissolution that recites the grounds for  
22 dissolution and the effective date of dissolution. The  
23 secretary of state shall file the statement and deliver a copy  
24 to the company in accordance with Section 210 of the Revised  
25 Uniform Limited Liability Company Act.

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1           D. A limited liability company that is  
2           administratively dissolved continues in existence as an entity  
3           but shall not carry on any activities except as necessary to  
4           wind up its activities and affairs and liquidate its assets  
5           under Sections 702 and 704 through 707 of the Revised Uniform  
6           Limited Liability Company Act or to apply for reinstatement  
7           under Section 709 of that act and to seek judicial review of a  
8           denial of reinstatement pursuant to Section 710 of that act.

9           E. The administrative dissolution of a limited  
10          liability company does not terminate the authority of its  
11          registered agent.

12          F. The powers and remedies of the secretary of  
13          state under this section are in addition to the powers and  
14          remedies of the secretary under Sections 213 and 214 of the  
15          Revised Uniform Limited Liability Company Act.

16                 SECTION 709. [NEW MATERIAL] REINSTATEMENT.--

17           A. A limited liability company that is  
18           administratively dissolved under Section 708 of the Revised  
19           Uniform Limited Liability Company Act may apply to the  
20           secretary of state for reinstatement within two years after the  
21           effective date of dissolution. The application shall state:

22                         (1) the name of the company at the time of its  
23                         administrative dissolution and, if needed, a different name  
24                         that satisfies Section 112 of that act;

25                         (2) the address of the principal office of the

1 company and the address of its registered office and the name  
2 of its registered agent at the address of the registered  
3 office;

4 (3) the effective date of the company's  
5 administrative dissolution; and

6 (4) that the grounds for dissolution or the  
7 striking of the company from the secretary of state's files did  
8 not exist or have been cured.

9 B. To be reinstated, a limited liability company  
10 shall:

11 (1) pay all fees, taxes, interest and  
12 penalties that were due to the secretary of state at the time  
13 of the company's administrative dissolution and all fees,  
14 taxes, interest and penalties that would have been due to the  
15 secretary of state while the company was administratively  
16 dissolved; and

17 (2) file with its application for  
18 reinstatement:

19 (i) a statement from the person  
20 appointed registered agent accepting appointment as registered  
21 agent;

22 (ii) proof that the grounds for the  
23 dissolution did not exist or have been cured; and

24 (iii) any other documents required to be  
25 filed under the Revised Uniform Limited Liability Company Act.

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1           C. If the secretary of state determines that an  
2 application under Subsection A of this section contains the  
3 required information, is reasonably satisfied that the  
4 information is correct, determines that the documents required  
5 to be filed under Subsection B of this section conform with the  
6 requirements of the Revised Uniform Limited Liability Company  
7 Act and determines that all payments required to be made to the  
8 secretary of state under Subsection B of this section have been  
9 made, the secretary of state shall:

10                   (1) cancel the statement of administrative  
11 dissolution and prepare a statement of reinstatement that  
12 states the secretary of state's determination and the effective  
13 date of reinstatement; and

14                   (2) file the statement of reinstatement and  
15 deliver a copy to the limited liability company.

16           D. When reinstatement under this section is  
17 effective:

18                   (1) the reinstatement relates back to and  
19 takes effect as of the effective date of the administrative  
20 dissolution;

21                   (2) the limited liability company resumes  
22 carrying on its activities and affairs as if the administrative  
23 dissolution had not occurred; and

24                   (3) the rights of a person arising out of an  
25 act or omission in reliance on the dissolution before the

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1 person knew or had notice of the reinstatement are not  
2 affected.

3 SECTION 710. [NEW MATERIAL] JUDICIAL REVIEW OF DENIAL OF  
4 REINSTATEMENT.--

5 A. If the secretary of state denies a limited  
6 liability company's application for reinstatement following  
7 administrative dissolution, the secretary of state shall  
8 deliver to the company a notice in a record that explains the  
9 reasons for the denial.

10 B. A limited liability company may file an appeal  
11 of denial of reinstatement pursuant to the provisions of  
12 Section 39-3-1.1 NMSA 1978.

13 ARTICLE 8

14 ACTIONS BY MEMBERS

15 SECTION 801. [NEW MATERIAL] DIRECT ACTION BY MEMBER.--

16 A. Subject to Subsection B of this section, a  
17 member may maintain a direct action against another member, a  
18 manager or the limited liability company to enforce the  
19 member's rights and to protect the member's interests,  
20 including rights and interests under the operating agreement or  
21 the Revised Uniform Limited Liability Company Act or arising  
22 independently of the membership relationship.

23 B. A member maintaining a direct action under this  
24 section shall plead and prove an actual or threatened injury  
25 that is not solely the result of an injury suffered or

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1 threatened to be suffered by the limited liability company.

2 SECTION 802. [NEW MATERIAL] DERIVATIVE ACTION.--A member  
3 may maintain a derivative action to enforce a right of a  
4 limited liability company if:

5 A. the member first makes a demand on the other  
6 members in a member-managed limited liability company, or the  
7 managers of a manager-managed limited liability company,  
8 requesting that they cause the company to bring an action to  
9 enforce the right, and the managers or other members do not  
10 bring the action within a reasonable time; or

11 B. a demand made under Subsection A of this section  
12 would be futile.

13 SECTION 803. [NEW MATERIAL] PROPER PLAINTIFF.--A  
14 derivative action to enforce a right of a limited liability  
15 company may be maintained only by a person that is a member at  
16 the time the action is commenced and:

17 A. was a member when the conduct giving rise to the  
18 action occurred; or

19 B. whose status as a member devolved on the person  
20 by operation of law or under the operating agreement from a  
21 person that was a member at the time of the conduct.

22 SECTION 804. [NEW MATERIAL] PLEADING.--In a derivative  
23 action, the complaint shall state with particularity:

24 A. the date and content of the plaintiff's demand  
25 and the response to the demand by the other members or

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1 managers; or

2 B. why the demand should be excused as futile.

3 SECTION 805. [NEW MATERIAL] DISMISSAL OR SETTLEMENT.--A

4 derivative action on behalf of a limited liability company  
5 shall not be voluntarily dismissed or settled without the  
6 court's approval. If the court determines that a proposed  
7 dismissal or settlement will substantially affect the interests  
8 of members of the limited liability company, the court shall  
9 direct that reasonable notice be given to the members affected.  
10 The members shall be afforded an opportunity to be heard.

11 SECTION 806. [NEW MATERIAL] PROCEEDS AND EXPENSES.--

12 A. Except as otherwise provided in Subsection B of  
13 this section:

14 (1) any proceeds or other benefits of a  
15 derivative action, whether by judgment, compromise or  
16 settlement, belong to the limited liability company and not to  
17 the plaintiff; and

18 (2) if the plaintiff receives any proceeds,  
19 the plaintiff shall remit them immediately to the company.

20 B. If a derivative action is successful in whole or  
21 in part, the court may award the plaintiff reasonable expenses,  
22 including reasonable attorney fees and costs, from the recovery  
23 of the limited liability company.

24 ARTICLE 9

25 FOREIGN LIMITED LIABILITY COMPANIES

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1           SECTION 901.   [NEW MATERIAL] GOVERNING LAW.--

2           A.   The law of the jurisdiction of formation of a  
3 foreign limited liability company governs:

4                   (1)   the internal affairs of the company;

5                   (2)   the liability of a member as member and a  
6 manager as manager for a debt, obligation or other liability of  
7 the company; and

8                   (3)   the liability of a series of the company.

9           B.   A foreign limited liability company is not  
10 precluded from registering to do business in New Mexico because  
11 of any difference between the law of its jurisdiction of  
12 formation and the law of New Mexico.

13           C.   Registration of a foreign limited liability  
14 company to do business in New Mexico does not authorize the  
15 foreign company to engage in any activities and affairs or  
16 exercise any power that a limited liability company may not  
17 engage in or exercise in New Mexico.

18           SECTION 902.   [NEW MATERIAL] REGISTRATION TO DO BUSINESS  
19 IN NEW MEXICO--PROVIDING PENALTIES.--

20           A.   A foreign limited liability company shall not do  
21 business in New Mexico until it registers with the secretary of  
22 state under Article 9 of the Revised Uniform Limited Liability  
23 Company Act.

24           B.   A foreign limited liability company doing  
25 business in New Mexico may not maintain an action or proceeding

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1 in New Mexico unless it is registered to do business in New  
2 Mexico.

3 C. The failure of a foreign limited liability  
4 company to register to do business in New Mexico does not  
5 impair the validity of a contract or act of the company or  
6 preclude it from defending an action or proceeding in New  
7 Mexico.

8 D. Subsections A and B of Section 901 of the  
9 Revised Uniform Limited Liability Company Act apply even if a  
10 foreign limited liability company fails to register under  
11 Article 9 of that act.

12 E. A foreign limited liability company, by doing  
13 business in New Mexico without registration, appoints the  
14 secretary of state as its agent for service of process with  
15 respect to causes of action arising out of doing business in  
16 New Mexico.

17 F. A foreign limited liability company that does  
18 business in New Mexico without a valid registration shall be  
19 liable to New Mexico in an amount equal to all fees, taxes and  
20 interest that would have been imposed by the Revised Uniform  
21 Limited Liability Company Act on that foreign limited liability  
22 company for the years or parts of years during which it did  
23 business in New Mexico without registration, had it obtained  
24 such registration, filed all reports required by that act and  
25 paid all penalties imposed by that act. The attorney general

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1 may bring proceedings to recover all amounts due New Mexico  
2 under the provisions of this section.

3 G. A foreign limited liability company that does  
4 business in New Mexico without a valid registration shall be  
5 subject to a civil penalty not to exceed two hundred dollars  
6 (\$200) per year or any part thereof during which business was  
7 done.

8 H. The civil penalty provided for in Subsection G  
9 of this section may be recovered in an action brought by the  
10 attorney general. Upon a finding by the court that a foreign  
11 limited liability company or any of its members or managers  
12 have done business in New Mexico in violation of the Revised  
13 Uniform Limited Liability Company Act, the court shall issue,  
14 in addition to the imposition of a civil penalty, an injunction  
15 restraining further doing of business by the foreign limited  
16 liability company and the further exercise of any limited  
17 liability company's rights and privileges in New Mexico. The  
18 foreign limited liability company shall be enjoined from doing  
19 business in New Mexico until all civil penalties, plus any  
20 interest and court costs that the court may assess, have been  
21 paid and until the foreign limited liability company has  
22 otherwise complied with the provisions of the Revised Uniform  
23 Limited Liability Company Act.

24 I. A member or manager of a foreign limited  
25 liability company is not liable for the debts and obligations

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1 of the limited liability company solely because such company  
2 did business in New Mexico without registration.

3 SECTION 903. [NEW MATERIAL] FOREIGN LIMITED LIABILITY  
4 COMPANY REGISTRATION.--

5 A. Before doing business in New Mexico, a foreign  
6 limited liability company shall register with the secretary of  
7 state by submitting an original signed application for  
8 registration as a foreign limited liability company, together  
9 with a copy, which may be a photocopy of the original after it  
10 was signed or a photocopy that is conformed to the original,  
11 executed by a person with authority to do so under the laws of  
12 the state or other jurisdiction of its organization and a  
13 certificate of good standing and compliance issued by the  
14 appropriate official of the state or jurisdiction under the  
15 laws of which the organization is organized, current within  
16 thirty days and that has not expired at time of receipt by the  
17 secretary of state. The application shall set forth:

18 (1) the name of the foreign limited liability  
19 company and, if different, the name under which it proposes to  
20 do business in New Mexico, which shall comply with Subsection A  
21 of Section 906 of the Revised Uniform Limited Liability Company  
22 Act;

23 (2) the state or other jurisdiction where the  
24 foreign limited liability company was organized and the date of  
25 its organization;

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1 (3) the name and address of a registered agent  
2 for service of process, which agent meets the requirements of  
3 Section 116 of the Revised Uniform Limited Liability Company  
4 Act, whose original, signed statement, together with a copy,  
5 which may be a photocopy of the original after it was signed or  
6 a photocopy that is conformed to the original, to the effect  
7 that such person accepts designation as the registered agent of  
8 the foreign limited liability company, shall be submitted with  
9 the application;

10 (4) a statement that the secretary of state is  
11 appointed the agent of the foreign limited liability company  
12 for service of process if no agent has been appointed upon  
13 resignation of an already appointed registered agent or, if  
14 appointed, the agent's authority has been revoked or the agent  
15 cannot be found or served in the exercise of reasonable  
16 diligence;

17 (5) the address of the office required to be  
18 maintained in the state or other jurisdiction of its  
19 organization by the laws of that state or jurisdiction or, if  
20 not so required, of the principal office of the foreign limited  
21 liability company; and

22 (6) a statement that the foreign limited  
23 liability company is a foreign limited liability company as  
24 defined in Subsection H of Section 102 of the Revised Uniform  
25 Limited Liability Company Act.

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1           B. If the secretary of state determines that the  
2 application for registration from a foreign limited liability  
3 company conforms to the provisions of the Revised Uniform  
4 Limited Liability Company Act and all requisite fees have been  
5 paid, the secretary of state shall:

6                   (1) endorse on the signed original and each  
7 copy the word "filed" and the date of its acceptance for  
8 filing;

9                   (2) retain a signed original in the files of  
10 the secretary of state; and

11                   (3) return each copy to the person who  
12 delivered it to the secretary of state or to that person's  
13 representative.

14           C. A foreign limited liability company may register  
15 with the secretary of state under any name, whether or not it  
16 is the name under which it is registered in the state or other  
17 jurisdiction of organization, as long as the name could be  
18 registered by a domestic limited liability company pursuant to  
19 Section 112 of the Revised Uniform Limited Liability Company  
20 Act.

21           SECTION 904. [NEW MATERIAL] AMENDED CERTIFICATE OF  
22 REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY.--

23           A. The application for registration of a foreign  
24 limited liability company may be amended by filing an amended  
25 certificate of registration with the secretary of state signed  
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1 by a person with authority to do so under the laws of the state  
2 or other jurisdiction of its organization. The application for  
3 an amended certificate of registration shall set forth:

4 (1) the name of the foreign limited liability  
5 company and, if different, the name under which it transacts  
6 business in New Mexico, which shall comply with Subsection A of  
7 Section 906 of the Revised Uniform Limited Liability Company  
8 Act;

9 (2) the date the original application for  
10 registration was filed; and

11 (3) the amendment to the application for  
12 registration.

13 B. The application for registration may be amended  
14 in any way, so long as the application for registration as  
15 amended contains only provisions that, at the time of the  
16 amendment, may be lawfully contained in an application for  
17 registration.

18 C. The requirements in respect to the form and  
19 contents of the application for amended certificate of  
20 registration, the manner of its execution, the filing of an  
21 original and copy with the secretary of state, the issuance of  
22 an amended certificate of registration and the effect thereof,  
23 shall be the same as in the case of an original application for  
24 a certificate of registration.

25 SECTION 905. [NEW MATERIAL] ACTIVITIES NOT CONSTITUTING

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1 DOING BUSINESS.--

2 A. Activities of a foreign limited liability  
3 company that do not constitute doing business in New Mexico  
4 under Article 9 of the Revised Uniform Limited Liability  
5 Company Act include:

6 (1) maintaining, defending, mediating,  
7 arbitrating or settling an action or proceeding;

8 (2) carrying on an activity concerning the  
9 company's internal affairs, including holding meetings of its  
10 members or managers;

11 (3) maintaining accounts in financial  
12 institutions;

13 (4) maintaining offices or agencies for the  
14 transfer, exchange and registration of securities of the  
15 company or maintaining trustees or depositories with respect to  
16 those securities;

17 (5) selling through independent contractors;

18 (6) soliciting or obtaining orders, whether by  
19 mail or through employees or agents or otherwise, if the orders  
20 require acceptance outside New Mexico before they become  
21 contracts;

22 (7) creating as borrower or lender or  
23 acquiring indebtedness or mortgages or other security interests  
24 in real or personal property;

25 (8) owning, without more, property;

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1 (9) investing in or acquiring, in transactions  
2 outside New Mexico, royalties and other nonoperating mineral  
3 interests; executing division orders, contracts of sale and  
4 other instruments incidental to the ownership of such  
5 nonoperating mineral interests; and, in general, owning,  
6 without more, real or personal property;

7 (10) conducting an isolated transaction that  
8 is completed within thirty days and that is not one in the  
9 course of repeated transactions of a like nature; and

10 (11) doing business in interstate commerce.

11 B. A foreign limited liability company shall not be  
12 considered to be doing business in New Mexico solely because  
13 it:

14 (1) owns a controlling interest in a  
15 corporation or a foreign corporation that does business in New  
16 Mexico;

17 (2) is a limited partner of a limited  
18 partnership or foreign limited partnership that is doing  
19 business in New Mexico; or

20 (3) is a member or manager of a limited  
21 liability company or foreign limited liability company that is  
22 doing business in New Mexico.

23 C. This section does not apply in determining the  
24 contacts or activities that may subject a foreign limited  
25 liability company to service of process, taxation or regulation

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1 under the law of New Mexico other than the Revised Uniform  
2 Limited Liability Company Act.

3 SECTION 906. [NEW MATERIAL] NONCOMPLYING NAME OF FOREIGN  
4 LIMITED LIABILITY COMPANY.--

5 A. A foreign limited liability company whose name  
6 does not comply with Section 112 of the Revised Uniform Limited  
7 Liability Company Act shall not register to do business in New  
8 Mexico until it adopts, for the purpose of doing business in  
9 New Mexico, an alternate name that complies with that section.

10 B. If a registered foreign limited liability  
11 company changes its name to one that does not comply with  
12 Section 112 of the Revised Uniform Limited Liability Company  
13 Act, it may not do business in New Mexico until it complies  
14 with Subsection A of this section by amending its registration  
15 to adopt an alternate name that complies with Section 112 of  
16 that act.

17 SECTION 907. [NEW MATERIAL] WITHDRAWAL DEEMED ON  
18 CONVERSION TO DOMESTIC FILING ENTITY OR DOMESTIC LIMITED  
19 LIABILITY PARTNERSHIP.--A registered foreign limited liability  
20 company that converts to a domestic limited liability  
21 partnership or to a domestic entity whose formation requires  
22 delivery of a record to the secretary of state for filing is  
23 deemed to have withdrawn its registration on the effective date  
24 of the conversion.

25 SECTION 908. [NEW MATERIAL] WITHDRAWAL ON DISSOLUTION OR  
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1       CONVERSION TO NONFILING ENTITY OTHER THAN LIMITED LIABILITY  
2       PARTNERSHIP.--

3               A. A registered foreign limited liability company  
4       that has dissolved and completed winding up or has converted to  
5       a domestic or foreign entity whose formation does not require  
6       the public filing of a record, other than a limited liability  
7       partnership, shall deliver a statement of withdrawal to the  
8       secretary of state for filing. The statement shall state, in  
9       the case of a company that has:

10                       (1) completed winding up:

11                               (a) its name and jurisdiction of  
12       formation; and

13                               (b) that the company surrenders its  
14       registration to do business in New Mexico; and

15                       (2) converted:

16                               (a) the name of the converting company  
17       and its jurisdiction of formation;

18                               (b) the type of entity to which the  
19       company has converted and its jurisdiction of formation;

20                               (c) that the converted entity surrenders  
21       the converting company's registration to do business in New  
22       Mexico and revokes the authority of the converting company's  
23       registered agent to act as registered agent in New Mexico on  
24       behalf of the company or the converted entity; and

25                               (d) an address to which service of

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1 process may be made under Subsection B of this section.

2 B. After a withdrawal under this section is  
3 effective, service of process in an action or proceeding based  
4 on a cause of action arising during the time that the foreign  
5 limited liability company was registered to do business in New  
6 Mexico may be made under Section 116 of the Revised Uniform  
7 Limited Liability Company Act.

8 SECTION 909. [NEW MATERIAL] TRANSFER OF REGISTRATION.--

9 A. When a registered foreign limited liability  
10 company has merged into a foreign entity that is not registered  
11 to do business in New Mexico or has converted to a foreign  
12 entity required to register with the secretary of state to do  
13 business in New Mexico, the foreign entity shall deliver to the  
14 secretary of state for filing an application for transfer of  
15 registration. The application shall state:

16 (1) the name of the registered foreign limited  
17 liability company before the merger or conversion;

18 (2) that, before the merger or conversion, the  
19 registration pertained to a foreign limited liability company;

20 (3) the name of the applicant foreign entity  
21 into which the foreign limited liability company has merged or  
22 to which it has been converted and, if the name does not comply  
23 with Section 112 of the Revised Uniform Limited Liability  
24 Company Act, an alternate name adopted under Subsection A of  
25 Section 906 of that act;

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1 (4) the type of entity of the applicant  
2 foreign entity and its jurisdiction of formation;

3 (5) the address of the principal office of the  
4 applicant foreign entity and, if the law of the entity's  
5 jurisdiction of formation requires the entity to maintain an  
6 office in that jurisdiction, the address of that office; and

7 (6) the name and address of the applicant  
8 foreign entity's registered agent in New Mexico.

9 B. When an application for transfer of registration  
10 takes effect, the registration of the foreign limited liability  
11 company to do business in New Mexico is transferred without  
12 interruption to the foreign entity into which the company has  
13 merged or to which it has been converted.

14 SECTION 910. [NEW MATERIAL] CANCELLATION OF  
15 REGISTRATION.--

16 A. The secretary of state may cancel the  
17 registration of a registered foreign limited liability company  
18 in the manner provided in Subsections B and C of this section  
19 if the company does not:

20 (1) pay, within sixty days after the due date,  
21 any fee, tax, interest or penalty required to be paid to the  
22 secretary of state under the Revised Uniform Limited Liability  
23 Company Act or a law other than that act;

24 (2) have a registered agent as required by  
25 Section 115 of that act for thirty consecutive days; or

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1 (3) deliver to the secretary of state for  
2 filing a statement of a change under Section 115 of that act  
3 within thirty days after a change has occurred in the address  
4 of the company's registered office or the name of the  
5 registered agent at that address.

6 B. The secretary of state may cancel the  
7 registration of a registered foreign limited liability company  
8 by:

9 (1) filing a notice of cancellation or noting  
10 the cancellation in the records of the secretary of state; and

11 (2) delivering a copy of the notice or the  
12 information in the notation to the company under Section 210 of  
13 the Revised Uniform Limited Liability Company Act.

14 C. The notice shall state, or the information in  
15 the notation shall include:

16 (1) the effective date of the cancellation,  
17 which shall be at least sixty days after the date that the  
18 secretary of state delivers the copy; and

19 (2) the grounds for cancellation under  
20 Subsection A of this section.

21 D. The authority of a registered foreign limited  
22 liability company to do business in New Mexico ceases on the  
23 effective date of the notice of cancellation or notation under  
24 Subsection B of this section, unless before that date the  
25 company cures each ground for cancellation stated in the notice

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1 or notation and provides proof of the cure in a record  
2 delivered to the secretary of state. If the company cures each  
3 ground to the reasonable satisfaction of the secretary of  
4 state, the secretary of state shall file a record so stating  
5 and shall deliver a copy of the record to the foreign limited  
6 liability company.

7 SECTION 911. [NEW MATERIAL] REINSTATEMENT.--

8 A. A foreign limited liability company whose  
9 registration to do business in New Mexico as a foreign limited  
10 liability company is canceled under Section 910 of the Revised  
11 Uniform Limited Liability Company Act may apply to the  
12 secretary of state for reinstatement within two years after the  
13 effective date of the cancellation of its registration. The  
14 application shall state:

15 (1) the name of the foreign limited liability  
16 company at the time of the cancellation of its registration by  
17 the secretary of state;

18 (2) the address of the principal office of the  
19 foreign limited liability company;

20 (3) the address of its registered office and  
21 the name of its registered agent at that office;

22 (4) the effective date of the cancellation of  
23 its registration; and

24 (5) that the grounds for the cancellation of  
25 its registration did not exist or have been cured.

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1           B. To be reinstated, a foreign limited liability  
2 company shall:

3                   (1) pay all fees, taxes, interest and  
4 penalties that were due to the secretary of state at the time  
5 of the cancellation of its registration and all fees, taxes,  
6 interest and penalties that would have been due to the  
7 secretary of state while the company's registration as a  
8 foreign limited liability company was canceled; and

9                   (2) file with its application for  
10 reinstatement:

11                           (i) a statement from the person  
12 appointed registered agent accepting appointment as registered  
13 agent;

14                           (ii) proof that the grounds for  
15 cancellation of the company's registration did not exist or  
16 have been cured; and

17                           (iii) any other documents required to be  
18 filed under the Revised Uniform Limited Liability Company Act.

19           C. If the secretary of state determines that an  
20 application under Subsection A of this section contains the  
21 required information, is reasonably satisfied that the  
22 information is correct, determines that the documents required  
23 to be filed under Subsection B of this section conform with the  
24 requirements of the Revised Uniform Limited Liability Company  
25 Act and determines that all payments required to be made to the

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1 secretary of state under Subsection B of this section have been  
2 made, the secretary of state shall:

3 (1) cancel the cancellation of the foreign  
4 limited liability company's registration to do business in New  
5 Mexico as a foreign limited liability company and prepare a  
6 statement of reinstatement that states the secretary of state's  
7 determination of reinstatement and the effective date of  
8 reinstatement; and

9 (2) file the statement of reinstatement and  
10 deliver a copy to the foreign limited liability company.

11 D. When reinstatement under this section is  
12 effective:

13 (1) the reinstatement relates back to and  
14 takes effect as of the effective date of the cancellation of  
15 the foreign limited liability company's registration to do  
16 business in New Mexico as a foreign limited liability company;

17 (2) the foreign limited liability company  
18 resumes carrying on its activities and affairs as if the  
19 cancellation of the company's registration to do business in  
20 New Mexico as a foreign limited liability company had not  
21 occurred; and

22 (3) the rights of a person arising out of an  
23 act or omission in reliance on the cancellation of the foreign  
24 limited liability company's registration to do business in New  
25 Mexico as a foreign limited liability company before the person

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1 knew or had notice of the reinstatement are not affected.

2 SECTION 912. [NEW MATERIAL] JUDICIAL REVIEW OF DENIAL OF  
3 REINSTATEMENT.--

4 A. If the secretary of state denies a foreign  
5 limited liability company's application for reinstatement  
6 following the cancellation of the company's registration to do  
7 business in New Mexico as a foreign limited liability company,  
8 the secretary of state shall deliver to the company a notice  
9 that briefly explains the reasons for the denial.

10 B. A foreign limited liability company may appeal a  
11 denial of reinstatement pursuant to the provisions of Section  
12 39-3-1.1 NMSA 1978.

13 SECTION 913. [NEW MATERIAL] TERMINATION OF REGISTRATION  
14 OF REGISTERED FOREIGN LIMITED LIABILITY COMPANY.--

15 A. A foreign limited liability company registered  
16 to do business in New Mexico may terminate its registration by  
17 application to the secretary of state for a certificate of  
18 termination. The application for termination shall set forth:

19 (1) the name of the foreign limited liability  
20 company and, if different, the name under which the foreign  
21 limited liability company did business in New Mexico that  
22 complied with Section 906 of the Revised Uniform Limited  
23 Liability Company Act; and the jurisdiction under the laws of  
24 which it is organized;

25 (2) that the foreign limited liability company

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1 is not doing business in New Mexico;

2 (3) that the foreign limited liability company  
3 surrenders its registration to do business in New Mexico;

4 (4) that the foreign limited liability company  
5 confirms the authority of its registered agent for service of  
6 process in New Mexico and consents that service of process in  
7 any action, suit or proceeding based upon any cause of action  
8 arising in New Mexico during the time that the foreign limited  
9 liability company was registered to do business in New Mexico  
10 also may be made on the foreign limited liability company by  
11 service upon the secretary of state;

12 (5) an address to which a person may deliver a  
13 copy of any process against the foreign limited liability  
14 company; and

15 (6) confirmation that the foreign limited  
16 liability company has resigned as a registered agent or is not  
17 currently a registered agent for any entity registered in New  
18 Mexico.

19 B. The application for termination shall be in the  
20 form specified by the secretary of state and shall be executed  
21 for the foreign limited liability company by a person with  
22 authority to do so under the laws of the state or other  
23 jurisdiction of its organization or, if the foreign limited  
24 liability company is in the hands of a receiver or trustee, by  
25 the receiver or trustee on behalf of the foreign limited

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1 liability company. The applicant shall pay all fees, taxes,  
2 interest and penalties due to the secretary of state at the  
3 time of termination.

4 C. If the secretary of state determines that an  
5 application under Subsection A of this section contains the  
6 required information, is satisfied that the information is  
7 correct and determines that all payments required to be made to  
8 the secretary of state by Subsection B of this section have  
9 been made, the secretary of state shall file a certificate of  
10 termination and shall deliver a copy of the certificate of  
11 termination to the foreign limited liability company. The  
12 certificate of termination shall be delivered to the foreign  
13 limited liability company pursuant to Section 210 of the  
14 Revised Uniform Limited Liability Company Act.

15 D. A termination does not terminate the authority  
16 of the secretary of state to accept service of process on the  
17 foreign limited liability company with respect to causes of  
18 action arising out of its having done business in New Mexico.

19 ARTICLE 10

20 MERGER, INTEREST EXCHANGE, CONVERSION AND DOMESTICATION

21 SECTION 1001. [NEW MATERIAL] DEFINITIONS.--As used in  
22 Article 10 of the Revised Uniform Limited Liability Company  
23 Act:

24 A. "acquired entity" means the entity, all of one  
25 or more classes of interests of which are acquired in an

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1 interest exchange;

2 B. "acquiring entity" means the entity that  
3 acquires all of one or more classes of interests of the  
4 acquired entity in an interest exchange;

5 C. "conversion" means a transaction authorized  
6 under Sections 1019 through 1024 of the Revised Uniform Limited  
7 Liability Company Act;

8 D. "converted entity" means the converting entity  
9 as it continues in existence after a conversion;

10 E. "converting entity" means the domestic entity  
11 that approves a plan of conversion under Section 1021 of the  
12 Revised Uniform Limited Liability Company Act or the foreign  
13 entity that approves a conversion under the law of its  
14 jurisdiction of formation;

15 F. "distributional interest" means the right under  
16 an unincorporated entity's organic law and organic rules to  
17 receive distributions from the entity;

18 G. "domestic", with respect to an entity, means  
19 governed as to the entity's internal affairs by the law of New  
20 Mexico;

21 H. "domesticated limited liability company" means  
22 the domesticating limited liability company as it continues in  
23 existence after a domestication;

24 I. "domesticating limited liability company" means  
25 the domestic limited liability company that approves a plan of

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1 domestication under Section 1027 of the Revised Uniform Limited  
2 Liability Company Act or the foreign limited liability company  
3 that approves a domestication under the law of its jurisdiction  
4 of formation;

5 J. "domestication" means a transaction authorized  
6 by Sections 1025 through 1030 of the Revised Uniform Limited  
7 Liability Company Act;

8 K. "entity":

9 (1) means:

10 (a) a business corporation;

11 (b) a general partnership, including a  
12 limited liability partnership;

13 (c) a limited partnership, including a  
14 limited liability limited partnership; or

15 (d) a limited liability company; but

16 (2) does not include:

17 (a) an individual;

18 (b) a trust with a predominantly  
19 donative purpose, a charitable trust, a nonprofit corporation  
20 or an unincorporated nonprofit association;

21 (c) an association or relationship that  
22 is not an entity listed in Paragraph (1) of this subsection and  
23 is not a partnership under the rules stated in Section  
24 55-1A-202 NMSA 1978 or a similar provision of the law of  
25 another jurisdiction;

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1 (d) a decedent's estate; or

2 (e) a government or a governmental  
3 subdivision, agency or instrumentality;

4 L. "filing entity" means an entity whose formation  
5 requires the filing of a public organic record. "Filing  
6 entity" does not include a limited liability partnership;

7 M. "foreign", with respect to an entity, means an  
8 entity governed as to its internal affairs by the law of a  
9 jurisdiction other than New Mexico;

10 N. "governance interest" means a right under the  
11 organic law or organic rules of an unincorporated entity, other  
12 than as a governor, an agent, an assignee or a proxy, to:

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

15 (2) vote for or consent to the election of the  
16 governors of the entity; or

17 (3) receive notice of or vote on or consent to  
18 an issue involving the internal affairs of the entity;

19 O. "governor" means:

20 (1) a director of a business corporation;

21 (2) a general partner of a general  
22 partnership;

23 (3) a general partner of a limited  
24 partnership;

25 (4) a manager of a manager-managed limited

1 liability company; or

2 (5) a member of a member-managed limited  
3 liability company;

4 P. "interest" means a:

5 (1) share in a business corporation;

6 (2) partnership interest in a general  
7 partnership;

8 (3) partnership interest in a limited  
9 partnership; or

10 (4) membership interest in a limited liability  
11 company;

12 Q. "interest exchange" means a transaction  
13 authorized by Sections 1013 through 1018 of the Revised Uniform  
14 Limited Liability Company Act;

15 R. "interest holder" means:

16 (1) a shareholder of a business corporation;

17 (2) a general partner of a general  
18 partnership;

19 (3) a general partner of a limited  
20 partnership;

21 (4) a limited partner of a limited  
22 partnership; or

23 (5) a member of a limited liability company;

24 S. "interest holder liability" means:

25 (1) personal liability for a liability of an

1 entity that is imposed on a person:

2 (a) solely by reason of the status of  
3 the person as an interest holder; or

4 (b) by the organic rules of the entity  
5 that make one or more specified interest holders or categories  
6 of interest holders liable in their capacity as interest  
7 holders for all or specified liabilities of the entity; or

8 (2) an obligation of an interest holder under  
9 the organic rules of an entity to contribute to the entity;

10 T. "merger" means a transaction authorized by  
11 Sections 1007 through 1012 of the Revised Uniform Limited  
12 Liability Company Act;

13 U. "merging entity" means an entity that is a party  
14 to a merger and exists immediately before the merger becomes  
15 effective;

16 V. "organic law" means the law of an entity's  
17 jurisdiction of formation governing the internal affairs of the  
18 entity;

19 W. "organic rules" means the public organic record  
20 and private organic rules of an entity;

21 X. "plan" means a plan of merger, plan of interest  
22 exchange, plan of conversion or plan of domestication;

23 Y. "plan of conversion" means a plan under Section  
24 1020 of the Revised Uniform Limited Liability Company Act;

25 Z. "plan of domestication" means a plan under

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1 Section 1026 of the Revised Uniform Limited Liability Company  
2 Act;

3 AA. "plan of interest exchange" means a plan under  
4 Section 1014 of the Revised Uniform Limited Liability Company  
5 Act;

6 BB. "plan of merger" means a plan under Section  
7 1008 of the Revised Uniform Limited Liability Company Act;

8 CC. "private organic rules" means the rules,  
9 regardless of whether in a record, that govern the internal  
10 affairs of an entity, are binding on all of its interest  
11 holders and are not part of its public organic record, if any.

12 "Private organic rules" includes the:

13 (1) bylaws of a business corporation;

14 (2) partnership agreement of a general  
15 partnership;

16 (3) partnership agreement of a limited  
17 partnership; and

18 (4) operating agreement of a limited liability  
19 company;

20 DD. "protected agreement" means:

21 (1) a record evidencing indebtedness and any  
22 related agreement in effect on July 1, 2024;

23 (2) an agreement that is binding on an entity  
24 on that date;

25 (3) the organic rules of an entity in effect

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1 on that date; or

2 (4) an agreement that is binding on any of the  
3 governors or interest holders of an entity on that date;

4 EE. "public organic record" means the record the  
5 filing of which by the secretary of state is required to form  
6 an entity and any amendment to or restatement of that record.

7 "Public organic record" includes the:

8 (1) articles of incorporation of a business  
9 corporation;

10 (2) certificate of limited partnership of a  
11 limited partnership;

12 (3) certificate of organization of a limited  
13 liability company;

14 (4) articles of incorporation of a general  
15 cooperative association; and

16 (5) certificate of trust of a statutory trust  
17 or similar record of a business trust;

18 FF. "registered foreign entity" means a foreign  
19 entity that is registered to do business in New Mexico under a  
20 record filed by the secretary of state;

21 GG. "statement of conversion" means a statement  
22 under Section 1023 of the Revised Uniform Limited Liability  
23 Company Act;

24 HH. "statement of domestication" means a statement  
25 under Section 1029 of the Revised Uniform Limited Liability

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1 Company Act;

2 II. "statement of interest exchange" means a  
3 statement under Section 1017 of the Revised Uniform Limited  
4 Liability Company Act;

5 JJ. "statement of merger" means a statement under  
6 Section 1011 of the Revised Uniform Limited Liability Company  
7 Act;

8 KK. "statement of qualification" means a statement  
9 of qualification filed under Section 54-1A-1001 NMSA 1978 for a  
10 domestic limited liability partnership;

11 LL. "surviving entity" means the entity that  
12 continues in existence after or is created by a merger; and

13 MM. "type of entity" means a generic form of  
14 entity:

15 (1) recognized at common law; or

16 (2) formed under an organic law, regardless of  
17 whether some entities formed under that organic law are subject  
18 to provisions of that law that create different categories of  
19 the form of entity.

20 SECTION 1002. [NEW MATERIAL] RELATIONSHIP OF ARTICLE 10  
21 OF THE REVISED UNIFORM LIMITED LIABILITY COMPANY ACT TO OTHER  
22 LAWS.--

23 A. Article 10 of the Revised Uniform Limited  
24 Liability Company Act does not authorize an act prohibited by,  
25 and does not affect the application or requirements of, a law  
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1 other than one in that article.

2 B. The following types of persons may not  
3 participate in a transaction under Article 10 of the Revised  
4 Uniform Limited Liability Company Act:

- 5 (1) a nonprofit corporation;
- 6 (2) an unincorporated nonprofit association;

7 or

- 8 (3) any other person described in Paragraph  
9 (2) of Subsection K of Section 1001 of that act.

10 SECTION 1003. [NEW MATERIAL] REQUIRED NOTICE OR  
11 APPROVAL--NAME OF SURVIVING, NEW, ACQUIRING, CONVERTED OR  
12 DOMESTICATED ENTITY.--

13 A. A domestic or foreign entity that is required to  
14 give notice to, or obtain the approval of, a governmental  
15 agency or officer of New Mexico to be a party to a merger shall  
16 give the notice or obtain the approval to be a party to an  
17 interest exchange, conversion or domestication.

18 B. Property held for a charitable purpose under the  
19 law of New Mexico by a domestic or foreign entity immediately  
20 before a transaction under Article 10 of the Revised Uniform  
21 Limited Liability Company Act becomes effective shall not, as a  
22 result of the transaction, be diverted from the objects for  
23 which it was donated, granted, devised or otherwise transferred  
24 unless, to the extent required by or under the law of New  
25 Mexico concerning cy-pres or other law dealing with non-

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1 diversion of charitable assets, the entity obtains an  
2 appropriate order of the court specifying the disposition of  
3 the property. The attorney general shall be given notice and  
4 an opportunity to be heard.

5 C. A bequest, devise, gift, grant or promise  
6 contained in a will or other instrument of donation,  
7 subscription or conveyance that is made to a merging entity  
8 that is not the surviving entity and that takes effect or  
9 remains payable after the merger inures to the surviving  
10 entity.

11 D. A trust obligation that would govern property if  
12 transferred to a non-surviving entity applies to property that  
13 is transferred to the surviving entity under this section.

14 E. If the surviving, new, acquiring, converted or  
15 domesticated entity is to be a domestic limited liability  
16 company, the name of the company and, if different, the name of  
17 the company under which it proposes to do business in New  
18 Mexico, shall comply with Section 112 of the Revised Uniform  
19 Limited Liability Company Act. If the surviving, new,  
20 acquiring, converted or domesticated entity is to be a foreign  
21 limited liability company registered to do business in New  
22 Mexico, the name of the company, or if different, the name  
23 under which it proposes to do business in New Mexico, shall  
24 comply with Subsection A of Section 906 of the Revised Uniform  
25 Limited Liability Company Act. If the surviving, new,

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1 acquiring, converted or domesticated entity is to be a domestic  
2 corporation or a foreign corporation with a certificate of  
3 authority to do business in New Mexico, the name of the  
4 corporation shall comply with the Business Corporation Act.

5 SECTION 1004. [NEW MATERIAL] NONEXCLUSIVITY.--The fact  
6 that a transaction effected under Article 10 of the Revised  
7 Uniform Limited Liability Company Act produces a certain result  
8 does not preclude the same result from being accomplished in  
9 another manner permitted by a law other than this article.

10 SECTION 1005. [NEW MATERIAL] REFERENCE TO EXTERNAL  
11 FACTS.--A plan may refer to facts ascertainable outside the  
12 plan if the manner in which the facts will operate upon the  
13 plan is specified in the plan. The facts may include the  
14 occurrence of an event or a determination or action by a  
15 person, regardless of whether the event, determination or  
16 action is within the control of a party to the transaction.

17 SECTION 1006. [NEW MATERIAL] APPRAISAL RIGHTS.--An  
18 interest holder of a domestic merging, acquired, converting or  
19 domesticating limited liability company is entitled to  
20 contractual appraisal rights in connection with a transaction  
21 under Article 10 of the Revised Uniform Limited Liability  
22 Company Act to the extent provided in the operating agreement  
23 or the plan.

24 SECTION 1007. [NEW MATERIAL] MERGER AUTHORIZED.--

25 A. By complying with Sections 1007 through 1012 of

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1 the Revised Uniform Limited Liability Company Act:

2 (1) one or more domestic limited liability  
3 companies may merge with one or more domestic or foreign  
4 entities into a domestic or foreign surviving entity; and

5 (2) two or more foreign entities may merge  
6 into a domestic limited liability company.

7 B. By complying with Sections 1007 through 1012 of  
8 the Revised Uniform Limited Liability Company Act applicable to  
9 foreign entities, a foreign entity may be a party to a merger  
10 under those sections or may be the surviving entity in such a  
11 merger if the merger is authorized by the law of the foreign  
12 entity's jurisdiction of formation.

13 SECTION 1008. [NEW MATERIAL] PLAN OF MERGER.--

14 A. A domestic limited liability company may become  
15 a party to a merger under Sections 1007 through 1012 of the  
16 Revised Uniform Limited Liability Company Act by approving a  
17 plan of merger. The plan shall be in a record and contain:

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

20 (2) if the surviving entity is to be created  
21 in the merger, a statement to that effect and the entity's  
22 name, jurisdiction of formation and type of entity;

23 (3) the manner of converting the interests in  
24 each party to the merger into interests, securities,  
25 obligations, money, other property, rights to acquire interests

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1 or securities or any combination of the foregoing;

2 (4) if the surviving entity exists before the  
3 merger, any proposed amendments to its:

4 (a) public organic record, if any; and

5 (b) private organic rules that are, or  
6 are proposed to be, in a record;

7 (5) if the surviving entity is to be created  
8 in the merger:

9 (a) its proposed public organic record,  
10 if any; and

11 (b) the full text of its private organic  
12 rules that are proposed to be in a record;

13 (6) the other terms and conditions of the  
14 merger; and

15 (7) any other provision required by the law of  
16 a merging entity's jurisdiction of formation or the organic  
17 rules of a merging entity.

18 B. In addition to the requirements in Subsection A  
19 of this section, a plan of merger may contain any other  
20 provision not prohibited by law.

21 SECTION 1009. [NEW MATERIAL] APPROVAL OF MERGER.--

22 A. A plan of merger is not effective unless it has  
23 been approved:

24 (1) by a domestic merging limited liability  
25 company, by all of the members of the company who are entitled

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1 to vote on or consent to any matter; and

2 (2) in a record, by each member of a domestic  
3 merging limited liability company that will have interest  
4 holder liability for debts, obligations and other liabilities  
5 that arise after the merger becomes effective, unless:

6 (a) the operating agreement of the  
7 company provides in a record for the approval of a merger in  
8 which some or all of its members become subject to interest  
9 holder liability by the affirmative vote or consent of fewer  
10 than all of the members; and

11 (b) the member consented in a record to  
12 or voted for that provision of the operating agreement or  
13 became a member after the adoption of that provision.

14 B. A merger involving a domestic merging entity  
15 that is not a limited liability company is not effective unless  
16 the merger is approved by that entity in accordance with its  
17 organic law.

18 C. A merger involving a foreign merging entity is  
19 not effective unless the merger is approved by the foreign  
20 entity in accordance with the law of the foreign entity's  
21 jurisdiction of formation.

22 SECTION 1010. [NEW MATERIAL] AMENDMENT OR ABANDONMENT OF  
23 PLAN OF MERGER.--

24 A. A plan of merger may be amended only with the  
25 consent of each party to the plan, except as otherwise provided

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1 in the plan.

2 B. A domestic merging limited liability company may  
3 approve an amendment of a plan of merger:

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

7 (2) by the company's managers or members in  
8 the manner provided in the plan. However, a member that was  
9 entitled to vote on or consent to approval of the merger may  
10 vote on or consent to any amendment of the plan that will  
11 change:

12 (a) the amount or kind of interests,  
13 securities, obligations, money, other property, rights to  
14 acquire interests or securities or any combination of the  
15 foregoing, to be received by the interest holders of any party  
16 to the plan;

17 (b) the public organic record, if any,  
18 or private organic rules of the surviving entity that will be  
19 in effect immediately after the merger becomes effective,  
20 except for changes that do not require approval of the interest  
21 holders of the surviving entity under its organic law or  
22 organic rules; or

23 (c) any other term or condition of the  
24 plan, if the change would adversely affect the member in any  
25 material respect.

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1 C. After a plan of merger has been approved and  
2 before a statement of merger becomes effective, the plan may be  
3 abandoned as provided in the plan. Unless prohibited by the  
4 plan, a domestic merging limited liability company may abandon  
5 the plan in the same manner as the plan was approved.

6 D. If a plan of merger is abandoned after a  
7 statement of merger has been delivered to the secretary of  
8 state for filing and before the statement becomes effective, a  
9 statement of abandonment, signed by a party to the plan, shall  
10 be delivered to the secretary of state for filing before the  
11 statement of merger becomes effective. The statement of  
12 abandonment takes effect on filing, and the merger is abandoned  
13 and does not become effective. The statement of abandonment  
14 shall contain:

15 (1) the name of each party to the plan of  
16 merger;

17 (2) the date on which the statement of merger  
18 was filed by the secretary of state; and

19 (3) a statement that the merger has been  
20 abandoned in accordance with this section.

21 SECTION 1011. [NEW MATERIAL] STATEMENT OF MERGER--  
22 EFFECTIVE DATE OF MERGER.--

23 A. A statement of merger shall be signed by each  
24 merging entity and delivered to the secretary of state for  
25 filing.

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B. A statement of merger shall contain:

(1) the name, jurisdiction of formation and type of entity of each merging entity that is not the surviving entity;

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

(3) a statement that the merger was approved by each domestic merging entity, if any, in accordance with Sections 1007 through 1012 of the Revised Uniform Limited Liability Company Act and by each foreign merging entity, if any, in accordance with the law of its jurisdiction of formation;

(4) if the surviving entity exists before the merger and is a domestic filing entity, any amendment to its public organic record approved as part of the plan of merger;

(5) if the surviving entity is created by the merger and is a domestic filing entity, its public organic record, as an attachment;

(6) if the surviving entity is created by the merger and is a domestic limited liability partnership, its statement of qualification, as an attachment; and

(7) if the surviving entity is a foreign entity that is not a registered foreign entity, an address to which the secretary of state may send any process delivered to the secretary of state under Subsection E of Section 1012 of

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1 the Revised Uniform Limited Liability Company Act.

2 C. In addition to the requirements of Subsection B  
3 of this section, a statement of merger may contain any other  
4 provision not prohibited by law.

5 D. If the surviving entity is a domestic entity,  
6 its public organic record, if any, must satisfy the  
7 requirements of the law of New Mexico.

8 E. If the surviving entity is a domestic limited  
9 liability company, the merger is effective when the statement  
10 of merger is effective. In all other cases, the merger is  
11 effective on the later of:

12 (1) the date provided by the organic law of  
13 the surviving entity; or

14 (2) when the statement is effective.

15 SECTION 1012. [NEW MATERIAL] EFFECT OF MERGER.--

16 A. When a merger becomes effective:

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

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

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

24 (4) all debts, obligations and other  
25 liabilities of each merging entity are debts, obligations and



1 other liabilities of the surviving entity;

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

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

8 (a) all its property continues to be  
9 vested in it without transfer, reversion or impairment;

10 (b) it remains subject to all its debts,  
11 obligations and other liabilities; and

12 (c) all its rights, privileges,  
13 immunities, powers and purposes continue to be vested in it;

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

17 (8) if the surviving entity exists before the  
18 merger, its:

19 (a) public organic record, if any, is  
20 amended to the extent provided in the statement of merger; and

21 (b) private organic rules that are to be  
22 in a record, if any, are amended to the extent provided in the  
23 plan of merger;

24 (9) if the surviving entity is created by the  
25 merger, its private organic rules are effective, and if it is

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(a) filing entity, its public organic record is effective; and

(b) limited liability partnership, its statement of qualification is effective; and

(10) the interests in each merging entity that are to be converted in the merger are converted, and the interest holders of those interests are entitled only to the rights provided to them under the plan of merger and to any appraisal rights they have under Section 1006 of the Revised Uniform Limited Liability Company Act and the merging entity's organic law.

B. Except as otherwise provided in the organic law or organic rules of a merging entity, the merger does not give rise to any rights that an interest holder, a governor or a third party would have upon a dissolution, liquidation or winding up of the merging entity.

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

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1           D. When a merger becomes effective, the interest  
2 holder liability of a person that ceases to hold an interest in  
3 a domestic merging limited liability company with respect to  
4 which the person had interest holder liability is subject to  
5 the following rules:

6                   (1) the merger does not discharge any interest  
7 holder liability under the Revised Uniform Limited Liability  
8 Company Act to the extent that the interest holder liability  
9 arose before the merger became effective;

10                   (2) the person does not have interest holder  
11 liability under that act for any debt, obligation or other  
12 liability that arises after the merger becomes effective;

13                   (3) that act continues to apply to the  
14 release, collection or discharge of any interest holder  
15 liability preserved under Paragraph (1) of this subsection as  
16 if the merger had not occurred; and

17                   (4) the person has whatever rights of  
18 contribution from any other person as provided by that act, a  
19 law other than one in that act or the operating agreement of  
20 the domestic merging limited liability company with respect to  
21 any interest holder liability preserved under Paragraph (1) of  
22 this subsection as if the merger had not occurred.

23           E. When a merger becomes effective, a foreign  
24 entity that is the surviving entity may be served with process  
25 in New Mexico for the collection and enforcement of any debts,

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1 obligations or other liabilities of a domestic merging limited  
2 liability company as provided in Section 116 of the Revised  
3 Uniform Limited Liability Company Act.

4 F. When a merger becomes effective, the  
5 registration to do business in New Mexico of any foreign  
6 merging entity that is not the surviving entity is canceled.

7 G. If a foreign entity is the surviving entity, it  
8 shall not do business in New Mexico until it becomes a  
9 registered foreign entity.

10 H. A merger does not require a merging limited  
11 liability company or other entity to wind up its affairs and  
12 does not constitute or cause the dissolution of the limited  
13 liability company or other entity.

14 SECTION 1013. [NEW MATERIAL] INTEREST EXCHANGE  
15 AUTHORIZED.--

16 A. By complying with Sections 1013 through 1018 of  
17 the Revised Uniform Limited Liability Company Act:

18 (1) a domestic limited liability company may  
19 acquire all of one or more classes of interests of another  
20 domestic entity or a foreign entity in exchange for interests,  
21 securities, obligations, money, other property, rights to  
22 acquire interests or securities or any combination of the  
23 foregoing; or

24 (2) all of one or more classes of interests of  
25 a domestic limited liability company may be acquired by another

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1 domestic entity or a foreign entity in exchange for interests,  
2 securities, obligations, money, other property, rights to  
3 acquire interests or securities or any combination of the  
4 foregoing.

5 B. By complying with Sections 1013 through 1018 of  
6 the Revised Uniform Limited Liability Company Act applicable to  
7 foreign entities, a foreign entity may be the acquiring or  
8 acquired entity in an interest exchange under Sections 1013  
9 through 1018 of that act if the interest exchange is authorized  
10 by the law of the foreign entity's jurisdiction of formation.

11 SECTION 1014. [NEW MATERIAL] PLAN OF INTEREST EXCHANGE.--

12 A. A domestic limited liability company may be the  
13 acquired entity in an interest exchange under Sections 1013  
14 through 1018 of the Revised Uniform Limited Liability Company  
15 Act by approving a plan of interest exchange. The plan shall  
16 be in a record and shall contain:

17 (1) the name of the acquired entity;

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

20 (3) the manner of converting the interests in  
21 the acquired entity into interests, securities, obligations,  
22 money, other property, rights to acquire interests or  
23 securities or any combination of the foregoing;

24 (4) any proposed amendments to the:

25 (a) certificate of organization of the

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1 acquired entity; and

2 (b) operating agreement of the acquired  
3 entity that are, or are proposed to be, in a record;

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

6 (6) any other provision required by the law of  
7 New Mexico or the operating agreement of the acquired entity.

8 B. In addition to the requirements of Subsection A  
9 of this section, a plan of interest exchange may contain any  
10 other provision not prohibited by law.

11 SECTION 1015. [NEW MATERIAL] APPROVAL OF INTEREST  
12 EXCHANGE.--

13 A. A plan of interest exchange is not effective  
14 unless it has been approved:

15 (1) by all the members of a domestic acquired  
16 limited liability company entitled to vote on or consent to any  
17 matter; and

18 (2) in a record, by each member of the  
19 domestic acquired limited liability company that will have  
20 interest holder liability for debts, obligations and other  
21 liabilities that arise after the interest exchange becomes  
22 effective, unless:

23 (a) the operating agreement of the  
24 company provides in a record for the approval of an interest  
25 exchange or a merger in which some or all its members become

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1 subject to interest holder liability by the affirmative vote or  
2 consent of fewer than all the members; and

3 (b) the member consented in a record to  
4 or voted for that provision of the operating agreement or  
5 became a member after the adoption of that provision.

6 B. An interest exchange involving a domestic  
7 acquired entity that is not a limited liability company is not  
8 effective unless it is approved by the domestic entity in  
9 accordance with its organic law.

10 C. An interest exchange involving a foreign  
11 acquired entity is not effective unless it is approved by the  
12 foreign entity in accordance with the law of the foreign  
13 entity's jurisdiction of formation.

14 D. Except as otherwise provided in its organic law  
15 or organic rules, the interest holders of the acquiring entity  
16 are not required to approve the interest exchange.

17 SECTION 1016. [NEW MATERIAL] AMENDMENT OR ABANDONMENT OF  
18 PLAN OF INTEREST EXCHANGE.--

19 A. A plan of interest exchange may be amended only  
20 with the consent of each party to the plan, except as otherwise  
21 provided in the plan.

22 B. A domestic acquired limited liability company  
23 may approve an amendment of a plan of interest exchange:

24 (1) in the same manner as the plan was  
25 approved, if the plan does not provide for the manner in which

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1 it may be amended; or

2 (2) by its managers or members in the manner  
3 provided in the plan. However, a member that was entitled to  
4 vote on or consent to approval of the interest exchange is  
5 entitled to vote on or consent to any amendment of the plan  
6 that will change:

7 (a) the amount or kind of interests,  
8 securities, obligations, money, other property, rights to  
9 acquire interests or securities or any combination of the  
10 foregoing, to be received by any of the members of the acquired  
11 company under the plan;

12 (b) the certificate of organization or  
13 operating agreement of the acquired company that will be in  
14 effect immediately after the interest exchange becomes  
15 effective, except for changes that do not require approval of  
16 the members of the acquired company under the Revised Uniform  
17 Limited Liability Company Act or the operating agreement; or

18 (c) any other terms or conditions of the  
19 plan, if the change would adversely affect the member in any  
20 material respect.

21 C. After a plan of interest exchange has been  
22 approved and before a statement of interest exchange becomes  
23 effective, the plan may be abandoned as provided in the plan.  
24 Unless prohibited by the plan, a domestic acquired limited  
25 liability company may abandon the plan in the same manner the

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1 plan was approved.

2 D. If a plan of interest exchange is abandoned  
3 after a statement of interest exchange has been delivered to  
4 the secretary of state for filing and before the statement  
5 becomes effective, a statement of abandonment, signed by the  
6 acquired limited liability company, shall be delivered to the  
7 secretary of state for filing before the statement of interest  
8 exchange becomes effective. The statement of abandonment takes  
9 effect on filing, and the interest exchange is abandoned and  
10 does not become effective. The statement of abandonment shall  
11 contain:

- 12 (1) the name of the acquired company;
- 13 (2) the date on which the statement of  
14 interest exchange was filed by the secretary of state; and
- 15 (3) a statement that the interest exchange has  
16 been abandoned in accordance with this section.

17 SECTION 1017. [NEW MATERIAL] STATEMENT OF INTEREST  
18 EXCHANGE--EFFECTIVE DATE OF INTEREST EXCHANGE.--

19 A. A statement of interest exchange shall be signed  
20 by a domestic acquired limited liability company and delivered  
21 to the secretary of state for filing.

- 22 B. A statement of interest exchange shall contain:
- 23 (1) the name of the acquired limited liability  
24 company;
  - 25 (2) the name, jurisdiction of formation and

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1 type of entity of the acquiring entity;

2 (3) a statement that the plan of interest  
3 exchange was approved by the acquired company in accordance  
4 with Sections 1013 through 1018 of the Revised Uniform Limited  
5 Liability Company Act; and

6 (4) any amendments to the company's  
7 certificate of organization approved as part of the plan of  
8 interest exchange.

9 C. In addition to the requirements of Subsection B  
10 of this section, a statement of interest exchange may contain  
11 any other provision not prohibited by law.

12 D. An interest exchange is effective when the  
13 statement of interest exchange is effective.

14 SECTION 1018. [NEW MATERIAL] EFFECT OF INTEREST  
15 EXCHANGE.--

16 A. When an interest exchange in which the acquired  
17 entity is a domestic limited liability company becomes  
18 effective, the:

19 (1) interests in the acquired company that are  
20 the subject of the interest exchange are converted, and the  
21 members holding those interests are entitled only to the rights  
22 provided to them by the plan of interest exchange and to any  
23 appraisal rights that they have under Section 1006 of the  
24 Revised Uniform Limited Liability Company Act;

25 (2) acquiring entity becomes the interest

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1 holder of the interests in the acquired company stated in the  
2 plan of interest exchange to be acquired by the acquiring  
3 entity;

4 (3) certificate of organization of the  
5 acquired company is amended to the extent provided in the  
6 statement of interest exchange; and

7 (4) provisions of the operating agreement of  
8 the acquired company that are to be in a record, if any, are  
9 amended to the extent provided in the plan of interest  
10 exchange.

11 B. Except as otherwise provided in the operating  
12 agreement of a domestic acquired limited liability company, the  
13 interest exchange does not give rise to any rights that a  
14 member, manager or third party would have upon a dissolution,  
15 liquidation or winding up of the acquired company.

16 C. When an interest exchange becomes effective, a  
17 person that did not have interest holder liability with respect  
18 to a domestic acquired limited liability company and that  
19 becomes subject to interest holder liability with respect to a  
20 domestic entity as a result of the interest exchange has  
21 interest holder liability only to the extent provided by the  
22 organic law of the entity and only for those debts, obligations  
23 and other liabilities that arise after the interest exchange  
24 becomes effective.

25 D. When an interest exchange becomes effective, the

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1 interest holder liability of a person that ceases to hold an  
2 interest in a domestic acquired limited liability company with  
3 respect to which the person had interest holder liability is  
4 subject to the following rules:

5 (1) the interest exchange does not discharge  
6 any interest holder liability under the Revised Uniform Limited  
7 Liability Company Act to the extent that the interest holder  
8 liability arose before the interest exchange became effective;

9 (2) the person does not have interest holder  
10 liability under that act for any debt, obligation or other  
11 liability that arises after the interest exchange becomes  
12 effective;

13 (3) that act continues to apply to the  
14 release, collection or discharge of any interest holder  
15 liability preserved under Paragraph (1) of this subsection as  
16 if the interest exchange had not occurred; and

17 (4) the person has whatever rights of  
18 contribution from any other person as are provided by that act,  
19 a law other than one in that act or the operating agreement of  
20 the acquired company with respect to any interest holder  
21 liability preserved under Paragraph (1) of this subsection as  
22 if the interest exchange had not occurred.

23 SECTION 1019. [NEW MATERIAL] CONVERSION AUTHORIZED.--

24 A. By complying with Sections 1019 through 1024 of  
25 the Revised Uniform Limited Liability Company Act, a domestic  
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1 limited liability company may become a:

2 (1) domestic entity that is a different type  
3 of entity; or

4 (2) foreign entity that is a different type of  
5 entity, if the conversion is authorized by the law of the  
6 foreign entity's jurisdiction of formation.

7 B. By complying with the provisions of Sections  
8 1019 through 1024 of the Revised Uniform Limited Liability  
9 Company Act applicable to foreign entities, a foreign entity  
10 that is not a foreign limited liability company may become a  
11 domestic limited liability company if the conversion is  
12 authorized by the law of the foreign entity's jurisdiction of  
13 formation.

14 SECTION 1020. [NEW MATERIAL] PLAN OF CONVERSION.--

15 A. A domestic limited liability company may convert  
16 to a different type of entity under Sections 1019 through 1024  
17 of the Revised Uniform Limited Liability Company Act by  
18 approving a plan of conversion. The plan shall be in a record  
19 and contain:

20 (1) the name of the converting limited  
21 liability company;

22 (2) the name, jurisdiction of formation and  
23 type of entity of the converted entity;

24 (3) the manner of converting the interests in  
25 the converting limited liability company into interests,

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1 securities, obligations, money, other property, rights to  
2 acquire interests or securities or any combination of the  
3 foregoing;

4 (4) the proposed public organic record of the  
5 converted entity if it will be a filing entity;

6 (5) the full text of the private organic rules  
7 of the converted entity that are proposed to be in a record;

8 (6) the other terms and conditions of the  
9 conversion; and

10 (7) any other provision required by the law of  
11 New Mexico or the operating agreement of the converting limited  
12 liability company.

13 B. In addition to the requirements in Subsection A  
14 of this section, a plan of conversion may contain any other  
15 provision not prohibited by law.

16 SECTION 1021. [NEW MATERIAL] APPROVAL OF CONVERSION.--

17 A. A plan of conversion is not effective unless it  
18 has been approved:

19 (1) by a domestic converting limited liability  
20 company, by all the members of the limited liability company  
21 entitled to vote on or consent to any matter; and

22 (2) in a record, by each member of a domestic  
23 converting limited liability company that will have interest  
24 holder liability for debts, obligations and other liabilities  
25 that arise after the conversion becomes effective, unless:

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1 (a) the operating agreement of the  
2 company provides in a record for the approval of a conversion  
3 or a merger in which some or all of its members become subject  
4 to interest holder liability by the affirmative vote or consent  
5 of fewer than all the members; and

6 (b) the member voted for or consented in  
7 a record to that provision of the operating agreement or became  
8 a member after the adoption of that provision.

9 B. A conversion involving a domestic converting  
10 entity that is not a limited liability company is not effective  
11 unless it is approved by the domestic converting entity in  
12 accordance with its organic law.

13 C. A conversion of a foreign converting entity is  
14 not effective unless it is approved by the foreign entity in  
15 accordance with the law of the foreign entity's jurisdiction of  
16 formation.

17 SECTION 1022. [NEW MATERIAL] AMENDMENT OR ABANDONMENT OF  
18 PLAN OF CONVERSION.--

19 A. A plan of conversion of a domestic converting  
20 limited liability company may be amended:

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

24 (2) by its managers or members in the manner  
25 provided in the plan, but a member that was entitled to vote on

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

3 (a) the amount or kind of interests,  
4 securities, obligations, money, other property, rights to  
5 acquire interests or securities or any combination of the  
6 foregoing, to be received by any of the members of the  
7 converting company under the plan;

8 (b) the public organic record, if any,  
9 or private organic rules of the converted entity that will be  
10 in effect immediately after the conversion becomes effective,  
11 except for changes that do not require the approval of the  
12 interest holders of the converted entity under its organic law  
13 or organic rules; or

14 (c) any other terms or conditions of the  
15 plan, if the change would adversely and materially affect the  
16 member.

17 B. After a plan of conversion has been approved by  
18 a domestic converting limited liability company and before a  
19 statement of conversion becomes effective, the plan may be  
20 abandoned as provided in the plan. Unless prohibited by the  
21 plan, a domestic converting limited liability company may  
22 abandon the plan in the same manner as the plan was approved.

23 C. If a plan of conversion is abandoned after a  
24 statement of conversion has been delivered to the secretary of  
25 state for filing and before the statement becomes effective, a

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1 statement of abandonment, signed by the converting entity,  
2 shall be delivered to the secretary of state for filing before  
3 the statement of conversion becomes effective. The statement  
4 of abandonment takes effect on filing, and the conversion is  
5 abandoned and does not become effective. The statement of  
6 abandonment shall contain:

7 (1) the name of the converting limited  
8 liability company;

9 (2) the date on which the statement of  
10 conversion was filed by the secretary of state; and

11 (3) a statement that the conversion has been  
12 abandoned in accordance with the provisions of this section.

13 SECTION 1023. [NEW MATERIAL] STATEMENT OF CONVERSION--  
14 EFFECTIVE DATE OF CONVERSION.--

15 A. A statement of conversion shall be signed by the  
16 converting entity and delivered to the secretary of state for  
17 filing.

18 B. A statement of conversion shall contain:

19 (1) the name, jurisdiction of formation and  
20 type of entity of the converting entity;

21 (2) the name, jurisdiction of formation and  
22 type of entity of the converted entity;

23 (3) if the converting entity is a domestic  
24 limited liability company, a statement that the plan of  
25 conversion was approved in accordance with Sections 1019

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1 through 1024 of the Revised Uniform Limited Liability Company  
2 Act or, if the converting entity is a foreign entity, a  
3 statement that the conversion was approved by the foreign  
4 entity in accordance with the law of its jurisdiction of  
5 formation;

6 (4) if the converted entity is a domestic  
7 filing entity, its public organic record, as an attachment;

8 (5) if the converted entity is a domestic  
9 limited liability partnership, its statement of qualification,  
10 as an attachment; and

11 (6) if the converted entity is a foreign  
12 entity, an address to which the secretary of state may send any  
13 process delivered to the secretary of state under Subsection E  
14 of Section 1024 of the Revised Uniform Limited Liability  
15 Company Act.

16 C. In addition to the requirements of Subsection B  
17 of this section, a statement of conversion may contain any  
18 other provision not prohibited by law.

19 D. If the converted entity is a domestic entity,  
20 its public organic record, if any, shall satisfy the  
21 requirements of the law of New Mexico.

22 E. If the converted entity is a domestic limited  
23 liability company, the conversion is effective when the  
24 statement of conversion is effective. In all other cases, the  
25 conversion is effective on the later of:

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1 (1) the date and time provided by the organic  
2 law of the converted entity; or

3 (2) when the statement is effective.

4 SECTION 1024. [NEW MATERIAL] EFFECT OF CONVERSION.--

5 A. When a conversion becomes effective:

6 (1) the converted entity is:

7 (a) organized under and subject to the  
8 organic law of the converted entity; and

9 (b) without interruption, the same  
10 entity as the converting entity;

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

14 (3) all debts, obligations and other  
15 liabilities of the converting entity continue as debts,  
16 obligations and other liabilities of the converted entity;

17 (4) except as otherwise provided by law or the  
18 plan of conversion, all the rights, privileges, immunities,  
19 powers and purposes of the converting entity remain in the  
20 converted entity;

21 (5) the name of the converted entity may be  
22 substituted for the name of the converting entity in any  
23 pending action or proceeding;

24 (6) the certificate of organization of the  
25 converted entity is effective;

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1 (7) the provisions of the operating agreement  
2 of the converted entity that are to be in a record, if any,  
3 approved as part of the plan of conversion are effective; and

4 (8) the interests in the converting entity are  
5 converted, and the interest holders of the converting entity  
6 are entitled only to the rights provided to them under the plan  
7 of conversion and to any appraisal rights they have under  
8 Section 1006 of the Revised Uniform Limited Liability Company  
9 Act.

10 B. Except as otherwise provided in the operating  
11 agreement of a domestic converting limited liability company,  
12 the conversion does not give rise to any right that a member,  
13 manager or third party would have upon a dissolution,  
14 liquidation or winding up of the converting entity.

15 C. When a conversion becomes effective, a person  
16 that did not have interest holder liability with respect to the  
17 converting entity and becomes subject to interest holder  
18 liability with respect to a domestic entity as a result of the  
19 conversion has interest holder liability only to the extent  
20 provided by the organic law of the entity and only for those  
21 debts, obligations and other liabilities that arise after the  
22 conversion becomes effective.

23 D. When a conversion becomes effective, the  
24 interest holder liability of a person that ceases to hold an  
25 interest in a domestic converting limited liability company

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1 with respect to which the person had interest holder liability  
2 is subject to the following rules:

3 (1) the conversion does not discharge any  
4 interest holder liability under the Revised Uniform Limited  
5 Liability Company Act to the extent that the interest holder  
6 liability arose before the conversion became effective;

7 (2) the person does not have interest holder  
8 liability under that act for any debt, obligation or other  
9 liability that arises after the conversion becomes effective;

10 (3) that act continues to apply to the  
11 release, collection or discharge of any interest holder  
12 liability preserved under Paragraph (1) of this subsection as  
13 if the conversion had not occurred; and

14 (4) the person has whatever rights of  
15 contribution from any other person as are provided by that act,  
16 a law other than one in that act or the organic rules of the  
17 converting entity with respect to any interest holder liability  
18 preserved under Paragraph (1) of this subsection as if the  
19 conversion had not occurred.

20 E. When a conversion becomes effective, a foreign  
21 entity that is the converted entity may be served with process  
22 in New Mexico for the collection and enforcement of any of its  
23 debts, obligations and other liabilities as provided in Section  
24 116 of the Revised Uniform Limited Liability Company Act.

25 F. If the converting entity is a registered foreign  
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1 entity, its registration to do business in New Mexico is  
2 canceled when the conversion becomes effective. If the  
3 converted entity is a foreign entity, it shall not do business  
4 in New Mexico until it becomes a registered foreign entity.

5 G. A conversion does not require the entity to wind  
6 up its affairs and does not constitute or cause the dissolution  
7 of the entity.

8 SECTION 1025. [NEW MATERIAL] DOMESTICATION AUTHORIZED.--

9 A. By complying with Sections 1025 through 1030 of  
10 the Revised Uniform Limited Liability Company Act, a domestic  
11 limited liability company may become a foreign limited  
12 liability company if the domestication is authorized by the law  
13 of the foreign jurisdiction.

14 B. By complying with the provisions of Sections  
15 1025 through 1030 of the Revised Uniform Limited Liability  
16 Company Act applicable to foreign limited liability companies,  
17 a foreign limited liability company may become a domestic  
18 limited liability company if the domestication is authorized by  
19 the law of the foreign limited liability company's jurisdiction  
20 of formation.

21 SECTION 1026. [NEW MATERIAL] PLAN OF DOMESTICATION.--

22 A. A domestic limited liability company may become  
23 a foreign limited liability company in a domestication by  
24 approving a plan of domestication. The plan shall be in a  
25 record and shall contain:

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1 (1) the name of the domesticating limited  
2 liability company;

3 (2) the name and jurisdiction of formation of  
4 the domesticated limited liability company;

5 (3) the manner of converting the interests in  
6 the domesticating limited liability company into interests,  
7 securities, obligations, money, other property, rights to  
8 acquire interests or securities or any combination of the  
9 foregoing;

10 (4) the proposed certificate of organization  
11 of the domesticated limited liability company;

12 (5) the full text of the provisions of the  
13 operating agreement of the domesticated limited liability  
14 company that are proposed to be in a record;

15 (6) the other terms and conditions of the  
16 domestication; and

17 (7) any other provision required by the law of  
18 New Mexico or the operating agreement of the domesticating  
19 limited liability company.

20 B. In addition to the requirements of Subsection A  
21 of this section, a plan of domestication may contain any other  
22 provision not prohibited by law.

23 SECTION 1027. [NEW MATERIAL] APPROVAL OF DOMESTICATION.--

24 A. A plan of domestication of a domestic  
25 domesticating limited liability company is not effective unless  
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1 it has been approved:

2 (1) by all the members entitled to vote on or  
3 consent to any matter; and

4 (2) in a record, by each member that will have  
5 interest holder liability for debts, obligations and other  
6 liabilities that arise after the domestication becomes  
7 effective, unless:

8 (a) the operating agreement of the  
9 domesticating company in a record provides for the approval of  
10 a domestication or merger in which some or all of its members  
11 become subject to interest holder liability by the affirmative  
12 vote or consent of fewer than all the members; and

13 (b) the member voted for or consented in  
14 a record to that provision of the operating agreement or became  
15 a member after the adoption of that provision.

16 B. A domestication of a foreign domesticating  
17 limited liability company is not effective unless it is  
18 approved in accordance with the law of the foreign limited  
19 liability company's jurisdiction of formation.

20 SECTION 1028. [NEW MATERIAL] AMENDMENT OR ABANDONMENT OF  
21 PLAN OF DOMESTICATION.--

22 A. A plan of domestication of a domestic  
23 domesticating limited liability company may be amended:

24 (1) in the same manner as the plan was  
25 approved, if the plan does not provide for the manner in which

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1 it may be amended; or

2 (2) by its managers or members in the manner  
3 provided in the plan, but a member that was entitled to vote on  
4 or consent to the approval of the domestication is entitled to  
5 vote on or consent to any amendment of the plan that will  
6 change:

7 (a) the amount or kind of interests,  
8 securities, obligations, money, other property, rights to  
9 acquire interests or securities or any combination of the  
10 foregoing, to be received by any of the members of the  
11 domesticating limited liability company under the plan;

12 (b) the certificate of organization or  
13 operating agreement of the domesticated limited liability  
14 company that will be in effect immediately after the  
15 domestication becomes effective, except for changes that do not  
16 require the approval of the members of the domesticated limited  
17 liability company under its organic law or operating agreement;  
18 or

19 (c) any other terms or conditions of the  
20 plan, if the change would adversely affect the member in any  
21 material respect.

22 B. After a plan of domestication has been approved  
23 by a domestic domesticating limited liability company and  
24 before a statement of domestication becomes effective, the plan  
25 may be abandoned as provided in the plan. Unless prohibited by

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1 the plan, a domestic domesticating limited liability company  
2 may abandon the plan in the same manner as the plan was  
3 approved.

4 C. If a plan of domestication is abandoned after a  
5 statement of domestication has been delivered to the secretary  
6 of state for filing and before the statement becomes effective,  
7 a statement of abandonment, signed by the domesticating limited  
8 liability company, shall be delivered to the secretary of state  
9 for filing before the statement of domestication becomes  
10 effective. The statement of abandonment takes effect on  
11 filing, and the domestication is abandoned and does not become  
12 effective. The statement of abandonment shall contain:

13 (1) the name of the domesticating limited  
14 liability company;

15 (2) the date on which the statement of  
16 domestication was filed by the secretary of state; and

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

19 SECTION 1029. [NEW MATERIAL] STATEMENT OF DOMESTICATION--  
20 EFFECTIVE DATE OF DOMESTICATION.--

21 A. A statement of domestication shall be signed by  
22 the domesticating limited liability company and delivered to  
23 the secretary of state for filing.

24 B. A statement of domestication shall contain:

25 (1) the name and jurisdiction of formation of

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1 the domesticating limited liability company;

2 (2) the name and jurisdiction of formation of  
3 the domesticated limited liability company;

4 (3) if the domesticating limited liability  
5 company is a domestic limited liability company, a statement  
6 that the plan of domestication was approved in accordance with  
7 Sections 1025 through 1030 of the Revised Uniform Limited  
8 Liability Company Act or, if the domesticating limited  
9 liability company is a foreign limited liability company, a  
10 statement that the domestication was approved in accordance  
11 with the law of its jurisdiction of formation;

12 (4) the certificate of organization of the  
13 domesticated limited liability company, as an attachment; and

14 (5) if the domesticated entity is a foreign  
15 limited liability company, an address to which the secretary of  
16 state may send any process delivered to the secretary of state  
17 under Subsection E of Section 1030 of the Revised Uniform  
18 Limited Liability Company Act.

19 C. In addition to the requirements of Subsection B  
20 of this section, a statement of domestication may contain any  
21 other provision not prohibited by law.

22 D. The certificate of organization of a domestic  
23 domesticated limited liability company shall satisfy the  
24 requirements of the Revised Uniform Limited Liability Company  
25 Act.

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1           E. If the domesticated entity is a domestic limited  
2 liability company, the domestication is effective when the  
3 statement of domestication is effective. If the domesticated  
4 entity is a foreign limited liability company, the  
5 domestication is effective on the later of:

6                   (1) the date and time provided by the organic  
7 law of the domesticated entity; or

8                   (2) when the statement is effective.

9           **SECTION 1030. [NEW MATERIAL] EFFECT OF DOMESTICATION.--**

10           A. When a domestication becomes effective:

11                   (1) the domesticated entity is:

12                           (a) organized under and subject to the  
13 organic law of the domesticated entity; and

14                           (b) without interruption, the same  
15 entity as the domesticating entity;

16                   (2) all property of the domesticating entity  
17 continues to be vested in the domesticated entity without  
18 transfer, reversion or impairment;

19                   (3) all debts, obligations and other  
20 liabilities of the domesticating entity continue as debts,  
21 obligations and other liabilities of the domesticated entity;

22                   (4) except as otherwise provided by law or the  
23 plan of domestication, all the rights, privileges, immunities,  
24 powers and purposes of the domesticating entity remain in the  
25 domesticated entity;

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1 (5) the name of the domesticated entity may be  
2 substituted for the name of the domesticating entity in any  
3 pending action or proceeding;

4 (6) the certificate of organization of the  
5 domesticated entity is effective;

6 (7) the provisions of the operating agreement  
7 of the domesticated entity that are to be in a record, if any,  
8 and that are approved as part of the plan of domestication, are  
9 effective; and

10 (8) the interests in the domesticating entity  
11 are converted to the extent and as approved in connection with  
12 the domestication, and the members of the domesticating entity  
13 are entitled only to the rights provided to them under the plan  
14 of domestication and to any appraisal rights they have under  
15 Section 1006 of the Revised Uniform Limited Liability Company  
16 Act.

17 B. Except as otherwise provided in the organic law  
18 or operating agreement of the domesticating limited liability  
19 company, the domestication does not give rise to any rights  
20 that a member, manager or third party would otherwise have upon  
21 a dissolution, liquidation or winding up of the domesticating  
22 company.

23 C. When a domestication becomes effective, a person  
24 that did not have interest holder liability with respect to the  
25 domesticating limited liability company and that becomes

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1 subject to interest holder liability with respect to a domestic  
2 company as a result of the domestication has interest holder  
3 liability only to the extent provided by the Revised Uniform  
4 Limited Liability Company Act and only for those debts,  
5 obligations and other liabilities that arise after the  
6 domestication becomes effective.

7 D. When a domestication becomes effective, the  
8 interest holder liability of a person that ceases to hold an  
9 interest in a domestic domesticating limited liability company  
10 with respect to which the person had interest holder liability  
11 is subject to the following rules:

12 (1) the domestication does not discharge any  
13 interest holder liability under the Revised Uniform Limited  
14 Liability Company Act to the extent that the interest holder  
15 liability arose before the domestication became effective;

16 (2) a person does not have interest holder  
17 liability under that act for any debt, obligation or other  
18 liability that arises after the domestication becomes  
19 effective;

20 (3) that act continues to apply to the  
21 release, collection or discharge of any interest holder  
22 liability preserved under Paragraph (1) of this subsection as  
23 if the domestication had not occurred; and

24 (4) a person has whatever rights of  
25 contribution from any other person as provided by that act, a

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[bracketed material] = delete

1 law other than that act or the operating agreement of the  
2 domestic domesticating limited liability company with respect  
3 to any interest holder liability preserved under Paragraph (1)  
4 of this subsection as if the domestication had not occurred.

5 E. When a domestication becomes effective, a  
6 foreign limited liability company that is the domesticated  
7 company may be served with process in New Mexico for the  
8 collection and enforcement of any of its debts, obligations and  
9 liabilities as provided in Section 116 of the Revised Uniform  
10 Limited Liability Company Act.

11 F. If the domesticating limited liability company  
12 is a registered foreign entity, the registration of the company  
13 is canceled when the domestication becomes effective.

14 G. If the domesticating limited liability company  
15 is a domestic entity, the domestication does not require it to  
16 wind up its affairs and does not constitute or cause the  
17 dissolution of the company.

18 ARTICLE 11

19 MISCELLANEOUS PROVISIONS

20 SECTION 1101. [NEW MATERIAL] UNIFORMITY OF APPLICATION  
21 AND CONSTRUCTION.--In applying and construing the provisions of  
22 the Revised Uniform Limited Liability Company Act,  
23 consideration shall be given to the need to promote uniformity  
24 of the law with respect to its subject matter among states that  
25 enact it.

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1           SECTION 1102.   ~~[NEW MATERIAL]~~ RELATION TO ELECTRONIC  
2 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.--The Revised  
3 Uniform Limited Liability Company Act modifies, limits and  
4 supersedes the federal Electronic Signatures in Global and  
5 National Commerce Act, 15 U.S.C. Section 7001 et seq., but does  
6 not modify, limit or supersede Section 101(c) of that act, 15  
7 U.S.C. Section 7001(c) or authorize electronic delivery of any  
8 of the notices described in Section 103(b) of that act, 15  
9 U.S.C. Section 7003(b).

10           SECTION 1103.   ~~[NEW MATERIAL]~~ SAVING CLAUSE.--The Revised  
11 Uniform Limited Liability Company Act does not affect an action  
12 commenced, a proceeding brought or a right accrued before July  
13 1, 2024.

14           SECTION 1104.   Section 47-1-4.1 NMSA 1978 (being Laws  
15 2019, Chapter 130, Section 3) is amended to read:

16           "47-1-4.1.   ACTUAL AUTHORITY--REPRESENTATIVES OF BUSINESS  
17 ENTITIES--EXCEPTION.--

18           A.   Except as provided in Subsections B and D of  
19 this section, the persons in the following offices or positions  
20 shall each have the authority to execute conveyancing  
21 instruments and contracts for the transfer or encumbrance of  
22 real property owned by a business entity:

23                           (1)   for a cooperative association:   president  
24 and vice president;

25                           (2)   for a professional corporation:   president

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1 and vice president;

2 (3) for a nonprofit corporation: president  
3 and vice president;

4 (4) for a business corporation: president and  
5 vice president;

6 (5) for a limited liability company: manager,  
7 member manager, president and vice president;

8 (6) for a general partnership: partner;

9 (7) for a limited liability partnership:  
10 general partner; and

11 (8) for a limited partnership: general  
12 partner.

13 B. A business entity may limit or expand the  
14 authority provided for in Subsection A of this section by  
15 filing with the county clerk, in the county where the real  
16 property is located, a statement reflecting limitations on the  
17 persons listed as having authority, requiring multiple persons  
18 to exercise such authority or authorizing other officers or  
19 positions to have the requisite authority to act to transfer or  
20 encumber real property owned by the business entity. The  
21 recorded statement shall be binding until the business entity  
22 revokes or amends the recorded statement and records the  
23 revocation or amendment with the county clerk.

24 C. A person may rely on the authority of the  
25 persons set forth in Subsection A of this section to act on

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1 behalf of a business entity, subject to limitations set forth  
2 in a previously recorded statement as provided in Subsection B  
3 of this section. Nothing in this section shall preclude a  
4 business entity from executing a power of attorney and  
5 empowering an attorney in fact to also act on its behalf  
6 pursuant to the Uniform Power of Attorney Act.

7 D. An instrument or contract for the transfer or  
8 encumbrance of real property by a person without the authority  
9 provided in Subsection A or B of this section may be relied  
10 upon as binding the business entity if the instrument or  
11 contract has been recorded for a period exceeding ten years.  
12 That recorded instrument or contract may not be relied upon as  
13 binding, however, if:

14 (1) prior to the execution of that instrument  
15 or contract, the business entity recorded another document  
16 reflecting that the person who executed the instrument or  
17 contract did not have the authority to bind the business  
18 entity; or

19 (2) the authority of the person who executed  
20 the instrument or contract has been successfully challenged or  
21 is in the process of being challenged in a court having  
22 jurisdiction.

23 E. As used in this section, "business entity" means  
24 a:

25 (1) cooperative association created pursuant

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1 to the Cooperative Association Act;

2 (2) professional corporation created pursuant  
3 to the Professional Corporation Act;

4 (3) nonprofit corporation created pursuant to  
5 the Nonprofit Corporation Act;

6 (4) business corporation created pursuant to  
7 the Business Corporation Act;

8 (5) limited liability company created pursuant  
9 to the Limited Liability Company Act or the Revised Uniform  
10 Limited Liability Company Act;

11 (6) partnership created pursuant to the  
12 Uniform Partnership Act (1994);

13 (7) limited liability partnership created  
14 pursuant to the Uniform Partnership Act (1994); or

15 (8) limited partnership or limited liability  
16 limited partnership created pursuant to the Uniform Revised  
17 Limited Partnership Act."

18 SECTION 1105. Section 53-11-2 NMSA 1978 (being Laws 1967,  
19 Chapter 81, Section 2, as amended) is amended to read:

20 "53-11-2. DEFINITIONS.--As used in the Business  
21 Corporation Act, unless the text otherwise requires:

22 A. "corporation" or "domestic corporation" means a  
23 corporation for profit subject to the provisions of the  
24 Business Corporation Act, except a foreign corporation;

25 B. "foreign corporation" means a corporation for

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1 profit organized under laws other than the laws of [~~this state~~]  
2 New Mexico for a purpose for which a corporation may be  
3 organized under the Business Corporation Act;

4 C. "articles of incorporation" means the original  
5 or restated articles of incorporation or articles of  
6 consolidation and all amendments thereto, including articles of  
7 merger;

8 D. "shares" means the units into which the  
9 proprietary interests in a corporation are divided;

10 E. "subscriber" means one who subscribes for shares  
11 in a corporation, whether before or after incorporation;

12 F. "shareholder" means one who is a holder of  
13 record of shares in a corporation;

14 G. "authorized shares" means the shares of all  
15 classes [~~which~~] that the corporation is authorized to issue;

16 H. "annual report" means the corporate report  
17 required by the Corporate Reports Act;

18 I. "distribution" means a direct or indirect  
19 transfer of money or other property (except its own shares) or  
20 incurrence of indebtedness, by a corporation to or for the  
21 benefit of any of its shareholders in respect of any of its  
22 shares, whether by dividend or by purchase redemption or other  
23 acquisition of its shares, or otherwise;

24 J. "franchise tax" means the franchise tax imposed  
25 by the Corporate Income and Franchise Tax Act;

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1 K. "fees" means the fees imposed by Section 53-2-1  
2 NMSA 1978;

3 L. "commission" means the public regulation  
4 commission or its delegate;

5 M. "address" means:

6 (1) the mailing address and the street  
7 address, if within a municipality; or

8 (2) the mailing address and a rural route  
9 number and box number, if any, or the geographical location,  
10 using well-known landmarks, if outside a municipality; ~~and~~

11 N. "delivery" means:

12 (1) if ~~[personally served]~~ delivered to the  
13 secretary of state, the date on which the documentation is  
14 received by the ~~[corporations bureau of the commission]~~  
15 secretary of state; and

16 (2) if ~~[mailed, the date of the postmark plus~~  
17 ~~three days, upon proof thereof by the party delivering the~~  
18 ~~documentation]~~ delivered to a corporation, foreign corporation  
19 or person other than the secretary, the documentation is  
20 delivered on the earliest of:

21 (a) the date the person receives the  
22 documentation;

23 (b) the date shown on the return  
24 receipt, if signed by the corporation, foreign corporation or  
25 other person; or

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1                                   (c) five days after the deposit of the  
2 documentation with the United States postal service, or with  
3 commercial delivery service, if correctly addressed and with  
4 prepayment of sufficient postage or fees and charges; and

5                                   O. "secretary" means the secretary of state or the  
6 secretary of state's delegate."

7                                   SECTION 1106. Section 53-11-28 NMSA 1978 (being Laws  
8 1967, Chapter 81, Section 27, as amended) is amended to read:

9                                   "53-11-28. MEETINGS OF SHAREHOLDERS.--

10                                  A. Meetings of shareholders may be held at any  
11 place within or without [~~this state~~] New Mexico in accordance  
12 with the bylaws. If no other place is designated in, or fixed  
13 in accordance with, the bylaws, meetings shall be held at the  
14 principal place of business of the corporation.

15                                  B. An annual meeting of the shareholders shall be  
16 held at the time designated in or fixed in accordance with the  
17 bylaws. If the annual meeting is not held within any thirteen-  
18 month period, the district court may, on the application of any  
19 shareholder, order a meeting to be held.

20                                  C. Special meetings of the shareholders may be  
21 called by the board of directors, the holders of not less than  
22 one-tenth of all the shares entitled to vote at the meeting or  
23 such other persons as may be authorized in the articles of  
24 incorporation or the bylaws.

25                                  D. Except as otherwise restricted by the articles

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1 of incorporation or bylaws, shareholders may participate in a  
2 meeting of the shareholders through remote communication by  
3 means of which all persons participating in the meeting can  
4 hear each other at the same time and participation through such  
5 communication shall constitute presence in person at such a  
6 meeting."

7 SECTION 1107. Section 53-11-42 NMSA 1978 (being Laws  
8 1967, Chapter 81, Section 41, as amended) is amended to read:

9 "53-11-42. PLACE AND NOTICE OF DIRECTORS' MEETINGS--  
10 COMMITTEE MEETINGS.--Meetings of the board of directors,  
11 regular or special, or any committee designated thereby may be  
12 held either within or without [~~this state~~] New Mexico. Regular  
13 meetings of the board of directors or any committee designated  
14 thereby may be held with or without notice as prescribed in the  
15 bylaws. Special meetings of the board of directors or any  
16 committee designated thereby shall be held upon the notice  
17 prescribed in the bylaws. Attendance of a director at a  
18 meeting constitutes a waiver of notice of the meeting, except  
19 where a director attends a meeting for the express purpose of  
20 objecting to the transaction of any business because the  
21 meeting is not lawfully called or convened. Neither the  
22 business to be transacted at, nor the purpose of, any regular  
23 or special meeting of the board of directors or any committee  
24 designated thereby need be specified in the notice or waiver of  
25 notice of the meeting unless required by the bylaws. Except as  
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1 otherwise restricted by the articles of incorporation or  
2 bylaws, members of the board of directors or any committee  
3 designated thereby may participate in a meeting of the board or  
4 committee [~~by means of a conference telephone or similar~~  
5 ~~communications equipment~~] through remote communication by means  
6 of which all persons participating in the meeting can hear each  
7 other at the same time, and participation [~~by such means~~]  
8 through such communication shall constitute presence in person  
9 at a meeting."

10 SECTION 1108. Section 53-13-7 NMSA 1978 (being Laws 1975,  
11 Chapter 64, Section 32, as amended) is repealed and a new  
12 Section 53-13-7 NMSA 1978 is enacted to read:

13 "53-13-7. [NEW MATERIAL] RESTATED ARTICLES OF  
14 INCORPORATION.--

15 A. A corporation's board of directors may restate  
16 its articles of incorporation, as amended, at any time, with or  
17 without shareholder approval, to consolidate all amendments  
18 into a single document.

19 B. If the restated articles of incorporation  
20 include one or more new amendments that require shareholder  
21 approval, the new amendments shall be adopted or approved as  
22 provided in Sections 53-13-2 and 53-13-3 NMSA 1978.

23 C. A corporation that restates its articles of  
24 incorporation shall deliver to the secretary of state for  
25 filing the original and a copy of restated articles of

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1 incorporation setting forth the name of the corporation and the  
2 text of the restated articles of incorporation together with a  
3 certificate that:

4 (1) states that the restated articles of  
5 incorporation consolidate all amendments into one document;

6 (2) if one or more new amendments are included  
7 in the restated articles of incorporation, also includes the  
8 statements required by Subsections B, C, D, E and F of Section  
9 53-13-4 NMSA 1978; and

10 (3) states that the restated articles of  
11 incorporation superseded the original articles of incorporation  
12 and all previous amendments and restatements.

13 D. The restated articles of incorporation shall be  
14 executed by the corporation by an authorized officer. The copy  
15 may be signed, photocopied or conformed. If the secretary of  
16 state finds that the restated articles of incorporation conform  
17 to law, the secretary of state shall, when all fees have been  
18 paid:

19 (1) endorse on the original and a copy the  
20 word "filed" and the month, date and year of the filing;

21 (2) file the original in the secretary of  
22 state's office; and

23 (3) issue a restated certificate of  
24 incorporation to which the secretary of state shall affix the  
25 file-stamped copy.

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1           E. The restated certificate of incorporation,  
2 together with the file-stamped copy of the restated articles of  
3 incorporation affixed to it, shall be returned by the secretary  
4 of state to the corporation or its representative. Unless the  
5 secretary of state disapproves under Subsection A of Section  
6 53-18-2 NMSA 1978, the restated articles of incorporation shall  
7 become effective upon delivery of the restated articles of  
8 incorporation to the secretary of state or on such later date,  
9 not more than thirty days after delivery of the restated  
10 articles of incorporation, to the secretary of state, as is  
11 provided for in the restated articles of incorporation. The  
12 restated articles of incorporation shall supersede the original  
13 articles of incorporation and all previous amendments and  
14 restatements.

15           F. The secretary of state may certify restated  
16 articles of incorporation as the articles of incorporation  
17 currently in effect, without including the certificate  
18 information required by Subsection C of this section."

19           SECTION 1109. Section 53-14-1 NMSA 1978 (being Laws 1967,  
20 Chapter 81, Section 68, as amended) is amended to read:

21           "53-14-1. PROCEDURE FOR MERGER.--Any [~~two~~] one or more  
22 domestic corporations may [~~merge into~~] become a party to a  
23 merger with one [of the corporations] or more domestic entities  
24 pursuant to a plan of merger approved by each corporation in  
25 the manner provided in the Business Corporation Act and by each

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1 other type of entity, in the manner provided in the governing  
2 law of that type of entity. The board of directors of each  
3 corporation shall by resolution adopted by each such board  
4 approve a plan of merger setting forth:

5 A. the ~~[names of the corporations proposing to~~  
6 ~~merge]~~ name of each merging entity and the name of ~~[the~~  
7 ~~corporation into which they propose to merge, which is~~  
8 ~~hereinafter designated as]~~ the surviving ~~[corporation]~~ entity;

9 B. ~~[the]~~ a summary of the principal terms and  
10 conditions of the proposed merger, including whether a  
11 surviving entity is to be created by the merger;

12 C. the manner and basis of converting the ~~[shares]~~  
13 interests of each ~~[corporation]~~ merging entity into ~~[shares]~~  
14 interests, obligations or other securities of the surviving  
15 ~~[corporation]~~ entity, or of any other ~~[corporation]~~ entity, or,  
16 in whole or in part, into cash, ~~[or]~~ other property or rights  
17 to acquire interests or securities or any combination of the  
18 foregoing;

19 D. if the surviving entity exists before the  
20 merger, a statement of any changes in the ~~[articles of~~  
21 ~~incorporation]~~ organic record and private organic rules of the  
22 surviving ~~[corporation]~~ entity to be effected by the merger;  
23 ~~[and]~~

24 E. if the surviving entity is to be created by the  
25 merger, its proposed organic record and private organic rules;

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1                    F. any other provision required by the governing  
2 law of a merging entity; and

3                    ~~[E-]~~ G. other provisions with respect to the  
4 proposed merger as deemed necessary or desirable."

5                    SECTION 1110. A new Section 53-14-1.1 NMSA 1978 is  
6 enacted to read:

7                    "53-14-1.1. [NEW MATERIAL] DEFINITIONS.--As used in  
8 Chapter 53, Article 14 NMSA 1978:

9                    A. "conversion" means a transaction pursuant to a  
10 plan of conversion approved pursuant to Section 53-14-2.1 NMSA  
11 1978;

12                    B. "converted entity" means a converting entity as  
13 it continues in existence after a conversion;

14                    C. "converting entity" means an entity that  
15 approves a plan of conversion;

16                    D. "distributional interest" means the right under  
17 an entity's organic law and organic rules to receive  
18 distributions from the entity;

19                    E. "domestic", with respect to an entity, means  
20 governed as to the entity's internal affairs by the law of New  
21 Mexico;

22                    F. "domesticated corporation" means a domesticating  
23 corporation as it continues in existence after a domestication;

24                    G. "domesticating corporation" means a corporation  
25 that approves a plan of domestication;

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1           H. "domestication" means a transaction pursuant to  
2 a plan of domestication approved pursuant to Section 53-14-2.2  
3 NMSA 1978;

4           I. "entity" means:

5                 (1) a business corporation;

6                 (2) a limited partnership, including a limited  
7 liability limited partnership; or

8                 (3) a limited liability company;

9           J. "foreign", with respect to an entity, means an  
10 entity governed as to its internal affairs by the law of a  
11 jurisdiction other than New Mexico;

12           K. "governing law" means the law of an entity's  
13 jurisdiction of formation governing the internal affairs of the  
14 entity. "Governing law" includes:

15                 (1) the Business Corporation Act for  
16 corporations;

17                 (2) the Revised Uniform Limited Liability  
18 Company Act for limited liability companies; and

19                 (3) the Uniform Revised Limited Partnership  
20 Act for limited partnerships;

21           L. "interest" means a:

22                 (1) share in a business corporation;

23                 (2) partnership interest in a limited  
24 partnership; and

25                 (3) membership interest in a limited liability

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1 company;

2 M. "interest holder" means:

3 (1) a shareholder of a business corporation;

4 (2) a general partner of a limited  
5 partnership, including a limited liability limited partner  
6 thereof;

7 (3) a limited partner of a limited  
8 partnership; or

9 (4) a member of a limited liability company;

10 N. "jurisdiction", when used to refer to a  
11 political entity, means the United States, a state, a foreign  
12 country or a political subdivision of a foreign country;

13 O. "jurisdiction of formation" means the  
14 jurisdiction whose law governs the internal affairs of an  
15 entity;

16 P. "merger" means a transaction pursuant to a plan  
17 of merger approved pursuant to Section 53-14-1 NMSA 1978;

18 Q. "merging entity" means an entity that is a party  
19 to a merger and exists immediately before the merger becomes  
20 effective;

21 R. "organic rules" means the public organic record  
22 and private organic rules of an entity;

23 S. "person" means an individual, entity, business  
24 trust, estate, association, joint venture, government,  
25 governmental subdivision, agency, instrumentality or any other

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1 legal or commercial entity;

2 T. "private organic rules" means the rules that  
3 govern the internal affairs of an entity and are not part of  
4 its public organic record. "Private organic rules" includes  
5 the:

- 6 (1) bylaws of a business corporation;  
7 (2) partnership agreement of a limited  
8 partnership; and  
9 (3) operating agreement of a limited liability  
10 company;

11 U. "public organic record" means the record the  
12 filing of which by the secretary of state is required to form  
13 an entity and any amendment to or restatement of that record.  
14 "Public organic record" includes the:

- 15 (1) articles of incorporation of a business  
16 corporation;  
17 (2) certificate of limited partnership of a  
18 limited partnership; and  
19 (3) certificate of organization of a limited  
20 liability company;

21 V. "registered foreign entity" means a foreign  
22 entity that is registered to do business in New Mexico under a  
23 record filed by the secretary of state. "Registered foreign  
24 entity" includes a:

- 25 (1) registered foreign corporation;

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1 (2) registered foreign limited partnership;  
2 and

3 (3) registered foreign limited liability  
4 company;

5 W. "surviving entity" means an entity that  
6 continues in existence after or is created by a merger; and

7 X. "type of entity" means a generic form of entity  
8 formed under a governing law."

9 SECTION 1111. A new Section 53-14-2.1 NMSA 1978 is  
10 enacted to read:

11 "53-14-2.1. [NEW MATERIAL] PROCEDURE FOR CONVERSION.--A  
12 domestic corporation may become a domestic limited liability  
13 company or limited partnership, and a domestic limited  
14 liability company or limited partnership may become a domestic  
15 corporation, in either case pursuant to a plan of conversion  
16 approved by the domestic corporation in the manner provided in  
17 the Business Corporation Act, by the domestic limited liability  
18 company in the manner provided in the Revised Uniform Limited  
19 Liability Company Act and by the domestic limited partnership  
20 in the manner provided in the Uniform Revised Limited  
21 Partnership Act. The board of directors of the corporation  
22 shall, by resolution adopted by the board, approve a plan  
23 conversion setting forth:

24 A. the name of the converting entity and the  
25 converted entity;

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1           B. a summary of the terms and conditions of the  
2 proposed conversion;

3           C. the manner and basis of converting shares or  
4 other interests in the converting entity into interests in the  
5 converted entity or the cash or other consideration to be paid  
6 or delivered as a result of the conversion of the shareholder's  
7 interests or a combination of these;

8           D. the converted entity's proposed organic record  
9 and its proposed private organic rules;

10          E. any other provision required by the governing  
11 law of a converting or converted entity; and

12          F. other provisions with respect to the proposed  
13 conversion as deemed necessary or desirable."

14           SECTION 1112. A new Section 53-14-2.2 NMSA 1978 is  
15 enacted to read:

16           "53-14-2.2. [NEW MATERIAL] PROCEDURE FOR DOMESTICATION.--  
17 A domestic corporation may become a foreign corporation  
18 pursuant to a plan of domestication approved in the manner  
19 provided in the Business Corporation Act if the domestication  
20 is authorized by the laws of the foreign corporation's  
21 jurisdiction of formation. The board of directors of the  
22 domestic corporation shall, by resolution adopted by the board,  
23 approve a plan of domestication setting forth:

24           A. the name of the domesticating corporation;

25           B. the name and jurisdiction of formation of the

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1 domesticated corporation;

2 C. a summary of the principal terms and conditions  
3 of the proposed domestication;

4 D. the manner and basis of converting the shares of  
5 the domesticating corporation into the shares, obligations or  
6 other securities of the domesticated corporation or, in whole  
7 or in part, into cash or other property;

8 E. the domesticated corporation's proposed articles  
9 of incorporation, however denominated, and its proposed bylaws,  
10 however denominated;

11 F. an address where the secretary of state may send  
12 process served on the secretary of state as agent for the  
13 domesticated corporation arising out of business done in New  
14 Mexico by the domesticating corporation and the corporation's  
15 obligations under the plan of domestication and articles of  
16 domestication, including the rights of dissenting shareholders;

17 G. any other provision required by the governing  
18 law of the domesticating or domesticated corporation; and

19 H. other provisions with respect to the proposed  
20 domestication as deemed necessary or desirable."

21 SECTION 1113. Section 53-14-3 NMSA 1978 (being Laws 1967,  
22 Chapter 81, Section 70, as amended) is amended to read:

23 "53-14-3. APPROVAL BY SHAREHOLDERS.--

24 A. The board of directors of each domestic  
25 corporation, [~~in the case of a~~] upon approving a plan of

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1 merger, ~~[or]~~ consolidation, ~~[and the board of directors of the~~  
2 ~~corporation the shares of which are to be acquired in the case~~  
3 ~~of an exchange, upon approving a plan of merger, consolidation~~  
4 ~~or]~~ exchange, conversion or domestication, shall, by  
5 resolution, direct that the plan be submitted to a vote at a  
6 meeting of its shareholders, which may be either an annual or a  
7 special meeting. Written notice shall be given to each  
8 shareholder of record, whether or not entitled to vote at the  
9 meeting, not less than twenty days before the meeting, in the  
10 manner provided in the Business Corporation Act for the giving  
11 of notice of meetings of shareholders and, whether the meeting  
12 is an annual or a special meeting, shall state that the purpose  
13 or one of the purposes is to consider the proposed plan. A  
14 copy ~~[or a summary]~~ of the plan shall be included in or  
15 enclosed with the notice.

16 B. At each meeting, a vote of the shareholders  
17 shall be taken on the proposed plan. The plan shall be  
18 approved upon receiving the affirmative vote of the holders of  
19 a majority of the shares entitled to vote thereon of each such  
20 corporation, unless any class of shares of any such corporation  
21 is entitled to vote thereon as a class, in which event, as to  
22 such corporation, the plan shall be approved upon receiving the  
23 affirmative vote of the holders of a majority of the shares of  
24 each class of shares entitled to vote thereon.

25 C. Any class of shares of any such corporation

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1 shall be entitled to vote as a class if any such plan contains  
2 any provision ~~[which]~~ that, if contained in a proposed  
3 amendment to articles of incorporation, would entitle such  
4 class of shares to vote as a class and, in the case of an  
5 exchange, if the class is included in the exchange.

6 D. A plan involving an entity that is not a  
7 corporation is not effective unless the plan approved by that  
8 entity is in accordance with its governing law.

9 ~~[G.]~~ E. After such approval by a vote of the  
10 shareholders of each such corporation and at any time prior to  
11 the filing of the articles of merger, ~~[or]~~ consolidation, ~~[or]~~  
12 exchange, conversion or domestication, the merger, ~~[or]~~  
13 consolidation, ~~[or]~~ exchange, conversion or domestication may  
14 be abandoned pursuant to provisions therefor ~~[if any]~~ set forth  
15 in the plan. If the plan contains no provision for abandoning  
16 the plan but does not prohibit its abandonment, the plan may be  
17 abandoned in the same manner that the plan was approved.

18 ~~[D.-(1)]~~ F. Notwithstanding the provisions of  
19 Subsections ~~[A and]~~ B and C of this section, submission of a  
20 plan of merger to a vote at a meeting of shareholders of a  
21 surviving corporation shall not be required if:

22 ~~[(a)]~~ (1) the articles of incorporation of the  
23 surviving corporation do not differ except in name from those  
24 of the corporation before the merger;

25 ~~[(b)]~~ (2) each holder of shares of the

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1 surviving corporation [~~which~~] that were outstanding immediately  
2 before the effective date of the merger is to hold the same  
3 number of shares with identical rights immediately after;

4 [~~(e)~~] (3) the number of voting shares  
5 outstanding immediately after the merger, plus the number of  
6 voting shares issuable on conversion of other securities issued  
7 by virtue of the terms of the merger and on exercise of rights  
8 and warrants so issued, will not exceed by more than twenty  
9 percent the number of voting shares outstanding immediately  
10 before the merger; and

11 [~~(d)~~] (4) the number of participating shares  
12 outstanding immediately after the merger, plus the number of  
13 participating shares issuable on conversion of other securities  
14 issued by virtue of the terms of the merger and on exercise of  
15 rights and warrants so issued, will not exceed by more than  
16 twenty percent the number of participating shares outstanding  
17 immediately before the merger.

18 [~~(2)~~] G. As used in [~~this~~] Subsection F of this  
19 section:

20 [~~(a)~~] (1) "voting shares" means shares [~~which~~]  
21 that entitle their holders to vote unconditionally in election  
22 of directors; and

23 [~~(b)~~] (2) "participating shares" means shares  
24 [~~which~~] that entitle their holders to participate without  
25 limitations in distribution of earnings or surplus."

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1           SECTION 1114. Section 53-14-4 NMSA 1978 (being Laws 1967,  
2 Chapter 81, Section 71, as amended) is amended to read:

3           "53-14-4. ARTICLES OF MERGER, CONSOLIDATION, ~~[OR]~~  
4 EXCHANGE, CONVERSION OR DOMESTICATION.--

5           A. Upon receiving the approvals required by any of  
6 Sections 53-14-1, 53-14-2, 53-14-2.1 or 53-14-2.2 and by  
7 Section 53-14-3 NMSA 1978, articles of merger, ~~[or articles of]~~  
8 consolidation, conversion or domestication shall be executed by  
9 each domestic corporation by an authorized officer and shall  
10 set forth:

11                       (1) the plan of merger, ~~[or the plan of]~~  
12 consolidation, conversion or domestication;

13                       (2) as to each domestic merging,  
14 consolidating, converting or domesticating corporation, either:

15                               (a) the number of shares outstanding  
16 and, if the shares of any class are entitled to vote as a  
17 class, the designation and number of outstanding shares of each  
18 such class; or

19                               (b) a statement that the vote of  
20 shareholders is not required by virtue of Subsection ~~[D]~~ F of  
21 Section 53-14-3 NMSA 1978;

22                       (3) as to each domestic merging,  
23 consolidating, converting or domesticating corporation, the  
24 approval of whose shareholders is required:

25                               (a) the number of shares required for

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1 approval if that number is different from a majority;

2 (b) the number of shares voted for and  
3 against the plan, respectively; and

4 (c) if the shares of any class are  
5 entitled to vote as a class, the number of shares of each such  
6 class required for approval if that number is different from a  
7 majority and the number of shares of each such class voted for  
8 and against the plan, respectively; and

9 (4) as to the domestic acquiring corporation  
10 in a plan of exchange, a statement that the adoption plan and  
11 performance of its terms were duly approved by its board of  
12 directors and such other requisite corporate action, if any, as  
13 may be required of it.

14 B. The original of the articles of merger,  
15 consolidation, ~~[or]~~ exchange, conversion or domestication,  
16 together with a copy, which may be signed, photocopied or  
17 conformed, shall be delivered to the ~~[commission]~~ secretary of  
18 state. If a domestic limited liability company or a domestic  
19 limited partnership is a party to the merger or conversion, the  
20 statement of merger or statement of conversion required by the  
21 Revised Uniform Limited Liability Company Act or the articles  
22 of merger or articles of conversion required by the Uniform  
23 Revised Limited Partnership Act shall be delivered to the  
24 secretary of state. If the ~~[commission]~~ secretary of state

25 finds that the articles and statements conform to law, ~~[it]~~ the  
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1 secretary of state shall, when all fees have been paid:

2 (1) endorse on the original and copy the word  
3 "filed" and the month, day and year of the filing;

4 (2) file the original in [~~its~~] the secretary  
5 of state's office; and

6 (3) issue a certificate of merger,  
7 consolidation, [~~or~~] exchange, conversion or domestication to  
8 which [~~it~~] the secretary of state shall affix the file-stamped  
9 copy.

10 C. The certificate of merger, consolidation, [~~or~~]  
11 exchange, conversion or domestication, together with the file-  
12 stamped copy of the articles affixed to it, shall be returned  
13 by the [~~commission~~] secretary of state to [~~the~~] each surviving,  
14 new, [~~or~~] acquiring [~~corporation~~] or domesticated entity or  
15 [~~its~~] to the entity's representative."

16 SECTION 1115. Section 53-14-6 NMSA 1978 (being Laws 1967,  
17 Chapter 81, Section 73, as amended) is amended to read:

18 "53-14-6. EFFECT OF MERGER, CONSOLIDATION, [~~OR~~] EXCHANGE,  
19 CONVERSION OR DOMESTICATION.--

20 A. Unless the [~~commission~~] secretary of state  
21 disapproves pursuant to Subsection A of Section 53-18-2 NMSA  
22 1978, a merger, consolidation, [~~or~~] exchange, domestication or  
23 conversion shall become effective upon delivery of the articles  
24 of merger, consolidation, [~~or~~] exchange, domestication or  
25 conversion, and delivery of any statement of merger or

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1 statement of conversion required by the Revised Uniform Limited  
2 Liability Company Act and articles of merger or articles of  
3 conversion required by the Uniform Revised Limited Partnership  
4 Act, to the [commission] secretary of state or on such later  
5 date, not more than thirty days [subsequent to] after the  
6 delivery thereof to the [commission] secretary of state, as  
7 shall be provided for in the plan.

8 B. When a merger, ~~or~~ consolidation, conversion or  
9 domestication has become effective:

10 [A.] (1) the several ~~corporations~~ entities  
11 that are parties to the plan of merger or consolidation shall  
12 be [a single corporation] the single entity, which, in the case  
13 of a merger, shall be [that corporation] the entity designated  
14 in the plan of merger as the surviving [corporation] entity  
15 and, in the case of a consolidation, shall be the new  
16 [corporation] entity provided for in the plan of consolidation,  
17 and the surviving entity or the new entity shall be the same  
18 entity without interruption as the merging entities or the  
19 consolidating entities provided for in the plan of merger or  
20 plan of consolidation;

21 (2) the converted corporation, limited  
22 liability company or limited partnership that is party to the  
23 plan of conversion shall be the same entity without  
24 interruption as any converting corporation, limited liability  
25 company or limited partnership provided for in the plan of

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1 conversion;

2 (3) the domesticated corporation that is party  
3 to the plan of domestication shall be subject to the laws of  
4 the state under which it is domesticated and shall be the same  
5 corporation without interruption as the domesticating  
6 corporation provided for in the plan of domestication;

7 [~~B.~~] (4) the separate existence of all  
8 [corporations] entities that are parties to the plan of merger,  
9 conversion, domestication or consolidation, except the  
10 surviving, converted, domesticated or new [corporation] entity,  
11 shall cease;

12 [~~C.~~] (5) the surviving [or] entity, new  
13 [corporation] entity or converted entity shall have all the  
14 rights, privileges, immunities and powers and shall be subject  
15 to all the duties and liabilities of a corporation organized  
16 under the Business Corporation Act, a limited liability company  
17 organized under the Revised Uniform Limited Liability Company  
18 Act or a limited partnership organized under the Uniform  
19 Revised Limited Partnership Act, as the case may be. The  
20 domesticated corporation shall have all the rights, privileges,  
21 immunities and powers, and shall be subject to all the duties  
22 and liabilities, of a corporation domesticated under the laws  
23 of the state under which it is domesticated;

24 [~~D.~~] (6) the surviving, [or] new  
25 [corporation], converted or domesticated entity shall thereupon

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1 possess all the rights, privileges, immunities and franchises  
2 of a public or private nature of each of the merging, [~~or~~]  
3 consolidating [~~corporations~~], converting or domesticating  
4 entities; and all property, real, personal and mixed and all  
5 debts due on whatever account, including subscriptions to  
6 shares, and all other choses in action and every other interest  
7 of, or belonging to, or due to, each of the [~~corporations~~]  
8 entities so merged, [~~or~~] consolidated, converted or  
9 domesticated shall be taken and deemed to be [~~transferred to~~  
10 ~~and~~] vested in [~~such single corporation~~] each of the surviving,  
11 new, converted or domesticated entities without transfer or  
12 further act or deed, and the title to any real estate, or any  
13 interest therein, vested in any of such corporations, limited  
14 liability companies or limited partnerships shall not revert or  
15 be in any way impaired by reason of the merger, [~~or~~]  
16 consolidation, conversion or domestication;

17 [~~E-~~] (7) the surviving, [~~or~~] new  
18 [~~corporation~~], converted or domesticated entity shall  
19 thenceforth be responsible and liable for all the liabilities  
20 and obligations of each of the [~~corporations~~] entities so  
21 merged, [~~or~~] consolidated, converted or domesticated, and any  
22 claim existing or action or proceeding pending by or against  
23 any of such [~~corporations~~] entities may be prosecuted as if the  
24 merger, conversion, domestication or consolidation had not  
25 taken place, or the surviving, [~~or~~] new [~~corporation~~],

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1 converted or domesticated entity may be substituted in its  
2 place. Neither the rights of creditors nor any liens upon the  
3 property of any such [~~corporation~~] entity shall be impaired by  
4 the merger, [~~or~~] consolidation, conversion or domestication. A  
5 merger, consolidation, conversion or domestication does not  
6 constitute or cause the dissolution of any such merging,  
7 consolidating, domesticating or converting corporation or the  
8 winding up of the affairs or dissolution of any such merging,  
9 domesticating or converting limited liability company or  
10 limited partnership;

11 [~~F.~~] (8) in the case of a merger, the articles  
12 of incorporation of the surviving corporation shall be deemed  
13 to be amended to the extent, if any, that changes in its  
14 articles of incorporation are stated in the plan of merger,  
15 and, in the case of a consolidation, the statements set forth  
16 in the articles of consolidation and [~~which~~] that are required  
17 or permitted to be set forth in the articles of incorporation  
18 of corporations organized under the Business Corporation Act  
19 shall be deemed to be the original articles of incorporation of  
20 the new corporation; [~~and~~

21 ~~G.~~] (9) when a merger, consolidation, [~~or~~]  
22 exchange, conversion or domestication has become effective, the  
23 shares of the corporation or corporations party to the plan  
24 that are, under the terms of the plan, to be converted,  
25 domesticated or exchanged shall cease to exist, in the case of

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1 a merger or consolidation, or be deemed to be exchanged, in the  
2 case of an exchange, and the holders of such shares shall  
3 thereafter be entitled only to the shares, obligations, other  
4 securities, cash or other property into which they shall have  
5 been converted or for which they shall have been exchanged, in  
6 accordance with the plan, subject to any rights under Section  
7 53-14-4 NMSA 1978 and, in the case of a domestication, the  
8 holders of shares of the domesticating corporation shall  
9 thereafter be entitled only to the shares, obligations, other  
10 securities, cash or other property that is provided for in the  
11 plan of domestication, subject to any rights under the law of  
12 the state where the corporation is domesticated; and

13 (10) when a domestication has become  
14 effective, if the domesticated corporation is a foreign  
15 corporation and if it is to transact business in New Mexico, it  
16 shall comply with the provisions of the Business Corporation  
17 Act with respect to foreign corporations, and in every case it  
18 shall file with the secretary of state:

19 (a) an agreement that the domesticating  
20 corporation may be served with process in New Mexico in any  
21 proceeding for the enforcement of any obligation of the  
22 corporation and in any proceeding for the enforcement of the  
23 rights of a dissenting shareholder in connection with the  
24 domestication;

25 (b) an irrevocable appointment of the

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1 secretary of state as the corporation's agent to accept service  
2 of process in any such proceeding; and

3 (c) an agreement that the corporation  
4 will promptly pay to such dissenting shareholders of any such  
5 domesticating corporation the amount, if any, to which they are  
6 entitled under the Business Corporation Act with respect to the  
7 rights of dissenting shareholders."

8 SECTION 1116. Section 53-14-7 NMSA 1978 (being Laws 1967,  
9 Chapter 81, Section 74, as amended) is amended to read:

10 "53-14-7. MERGER, CONSOLIDATION, [ØR] EXCHANGE OF SHARES  
11 OR CONVERSION BETWEEN DOMESTIC AND FOREIGN CORPORATIONS,  
12 LIMITED LIABILITY COMPANIES AND LIMITED PARTNERSHIPS--  
13 DOMESTICATION BY FOREIGN CORPORATIONS INTO DOMESTIC  
14 CORPORATIONS.--

15 A. One or more foreign corporations and one or more  
16 domestic corporations may become parties to a merger or  
17 consolidation [~~be merged or consolidated or participate in an~~  
18 ~~exchange in the following manner, if]~~ with a foreign entity  
19 that is a corporation or a different type of entity, a foreign  
20 entity may be converted into a domestic entity and a domestic  
21 corporation may be converted into a foreign entity that is a  
22 corporation or a different type of entity and a foreign  
23 corporation may become a New Mexico corporation by  
24 domestication if, in any of those cases, the merger,  
25 consolidation, [Ør] exchange, conversion or domestication is

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1 permitted by the laws of the ~~[state]~~ jurisdiction under which  
2 each foreign ~~[corporation]~~ entity is organized and if:

3 (1) each domestic corporation ~~[shall comply]~~  
4 complies with the provisions of the Business Corporation Act  
5 with respect to the merger, consolidation, ~~[or]~~ exchange,  
6 conversion or domestication, as the case may be, of domestic  
7 corporations, any other domestic entity that is not a  
8 corporation complies with the provisions of its governing law  
9 with respect to the merger or consolidation, as the case may  
10 be, and each foreign ~~[corporation, shall comply]~~ entity  
11 complies with the applicable provisions of the laws of the  
12 ~~[state]~~ jurisdiction under which it is ~~[organized]~~ formed; and

13 (2) ~~[if]~~ in the case in which the surviving,  
14 ~~[or]~~ new, domesticated or converted corporation or other type  
15 of entity in a merger, ~~[or]~~ consolidation, domestication or  
16 conversion is to be governed by the laws of any ~~[state]~~  
17 jurisdiction other than ~~[this state it shall comply]~~ New  
18 Mexico, the corporation shall not transact business in New  
19 Mexico until the entity complies with the provisions of the  
20 ~~[Business Corporation Act]~~ laws of New Mexico with respect to  
21 foreign ~~[corporations if it is to transact business in this~~  
22 ~~state, and in every case it shall file]~~ entities and it files  
23 with the ~~[commission]~~ secretary of state:

24 (a) an agreement that it may be served  
25 with process in ~~[this state]~~ New Mexico in any proceeding for

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1 the enforcement of any obligation of any domestic corporation  
2 [~~which~~] that is a party to the merger, [~~or~~] consolidation,  
3 domestication or conversion and in any proceeding for the  
4 enforcement of the rights of a dissenting shareholder or other  
5 interest holder of any such domestic [~~corporation~~] entity  
6 against the surviving, [~~or~~] new [~~corporation~~] domesticated or  
7 converted entity;

8 (b) an irrevocable appointment of the  
9 secretary of state as its agent to accept service of process in  
10 any such proceeding; and

11 (c) an agreement that it will promptly  
12 pay to the dissenting shareholders of any such domestic  
13 corporation the amount, if any, to which [~~they~~] it shall be  
14 entitled under the provisions of the Business Corporation Act  
15 with respect to the rights of dissenting shareholders.

16 B. The effect of such merger, [~~or~~] consolidation or  
17 conversion shall be the same as in the case of the merger, [~~or~~]  
18 consolidation or conversion of domestic [~~corporations~~] entities  
19 if the surviving, [~~or~~] new [~~corporation~~] or converted entity is  
20 to be governed by the laws of [~~this state~~] New Mexico. The  
21 effect of such domestication shall be the same as the  
22 domestication of domestic entities if the domesticated entity  
23 is to be governed by the laws of New Mexico, except that the  
24 domesticated entity shall be governed by the laws of New Mexico  
25 and the holders of the shares and other holders of interests in

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1 the domesticating entity shall thereafter be entitled only to  
2 the shares, obligations, other securities, cash or other  
3 property that is provided in the plan of domestication, subject  
4 to any rights under the laws of New Mexico. If the surviving,  
5 [~~or~~] new, [~~corporation~~] domesticated or converted entity is to  
6 be governed by the laws of any [~~state~~] jurisdiction other than  
7 [~~this state~~] New Mexico, the effect of such merger, [~~or~~]  
8 consolidation, domestication or conversion shall be [~~the same~~  
9 ~~as in the case of the merger, or consolidation of domestic~~  
10 ~~corporations except insofar as the laws of such other state~~  
11 ~~provide otherwise~~] governed by the laws of the other  
12 jurisdiction.

13 C. At any time prior to the filing of the articles  
14 of merger, [~~or~~] consolidation, conversion or domestication, the  
15 merger, [~~or~~] consolidation, conversion or domestication may be  
16 abandoned pursuant to provisions therefor [~~if any~~] set forth in  
17 the plan of merger, [~~or~~] consolidation, conversion or  
18 domestication. If the plan contains no provision for  
19 abandoning the plan but does not prohibit its abandonment, the  
20 plan may be abandoned in the same manner that the plan was  
21 approved."

22 SECTION 1117. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is July 1, 2024.