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HOUSE BILL 113

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Eric A. Youngberg

FOR THE COURTS, CORRECTIONS AND JUSTICE COMMITTEE

AN ACT

RELATING TO BUSINESS LAW; ENACTING THE UNIFORM REVISED LIMITED PARTNERSHIP ACT; REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

ARTICLE 1

GENERAL PROVISIONS

Section 101. SHORT TITLE.--This act may be cited as the "Uniform Revised Limited Partnership Act".

Section 102. DEFINITIONS.--As used in the Uniform Revised Limited Partnership Act:

A. "certificate of limited partnership" means the certificate required by Section 201 of the Uniform Revised Limited Partnership Act. The term includes the certificate as amended or restated;

1           B. "contribution", except in the phrase "right of  
2 contribution", means any benefit provided by a person to a  
3 limited partnership in order to become a partner or in the  
4 person's capacity as a partner;

5           C. "debtor in bankruptcy" means a person that is  
6 the subject of:

7                   (1) an order for relief pursuant to Title 11  
8 of the United States Code or a comparable order pursuant to a  
9 successor statute of general application; or

10                   (2) a comparable order pursuant to federal,  
11 state or foreign law governing insolvency;

12           D. "designated office" means:

13                   (1) with respect to a limited partnership, the  
14 office that the limited partnership is required to designate  
15 and maintain pursuant to Section 114 of the Uniform Revised  
16 Limited Partnership Act; and

17                   (2) with respect to a foreign limited  
18 partnership, its principal office;

19           E. "distribution" means a transfer of money or  
20 other property from a limited partnership to a partner in the  
21 partner's capacity as a partner or to a transferee on account  
22 of a transferable interest owned by the transferee;

23           F. "foreign limited liability limited partnership"  
24 means a foreign limited partnership whose general partners have  
25 limited liability for the obligations of the foreign limited

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1 partnership pursuant to a provision similar to Subsection C of  
2 Section 404 of the Uniform Revised Limited Partnership Act;

3 G. "foreign limited partnership" means a  
4 partnership formed pursuant to the laws of a jurisdiction other  
5 than this state and required by those laws to have one or more  
6 general partners and one or more limited partners. The term  
7 includes a foreign limited liability limited partnership;

8 H. "general partner" means:

9 (1) with respect to a limited partnership, a  
10 person that:

11 (a) becomes a general partner pursuant  
12 to Section 401 of the Uniform Revised Limited Partnership Act;  
13 or

14 (b) was a general partner in a limited  
15 partnership when the limited partnership became subject to the  
16 Uniform Revised Limited Partnership Act pursuant to Subsection  
17 A of Section 1206 of the Uniform Revised Limited Partnership  
18 Act; and

19 (2) with respect to a foreign limited  
20 partnership, a person that has rights, powers and obligations  
21 similar to those of a general partner in a limited partnership;

22 I. "limited liability limited partnership", except  
23 in the phrase "foreign limited liability limited partnership",  
24 means a limited partnership;

25 J. "limited partner" means:

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

3 (a) becomes a limited partner pursuant  
4 to Section 301 of the Uniform Revised Limited Partnership Act;  
5 or

6 (b) was a limited partner in a limited  
7 partnership when the limited partnership became subject to the  
8 Uniform Revised Limited Partnership Act pursuant to Subsection  
9 A of Section 1206 of the Uniform Revised Limited Partnership  
10 Act; and

11 (2) with respect to a foreign limited  
12 partnership, a person that has rights, powers and obligations  
13 similar to those of a limited partner in a limited partnership;

14 K. "limited partnership", except in the phrases  
15 "foreign limited partnership" and "foreign limited liability  
16 limited partnership", means an entity, having one or more  
17 general partners and one or more limited partners that is  
18 formed pursuant to the Uniform Revised Limited Partnership Act  
19 by two or more persons or becomes subject to Article 11 or  
20 Subsection A of Section 1206 of the Uniform Revised Limited  
21 Partnership Act. The term includes a limited liability limited  
22 partnership;

23 L. "partner" means a limited partner or general  
24 partner;

25 M. "partnership agreement" means the partners'

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1 agreement, whether oral, implied or in a record or in any  
2 combination, concerning the limited partnership. The term  
3 includes the agreement as amended;

4 N. "person" means an individual, corporation,  
5 business trust, estate, trust, partnership, limited liability  
6 company, association, joint venture, government, governmental  
7 subdivision, agency or instrumentality, public corporation or  
8 any other legal or commercial entity;

9 O. "person dissociated as a general partner" means  
10 a person dissociated as a general partner of a limited  
11 partnership;

12 P. "principal office" means the office where the  
13 principal executive office of a limited partnership or foreign  
14 limited partnership is located, whether or not the office is  
15 located in this state;

16 Q. "record" means information that is inscribed on  
17 a tangible medium or that is stored in an electronic or other  
18 medium and is retrievable in perceivable form;

19 R. "required information" means the information  
20 that a limited partnership is required to maintain pursuant to  
21 Section 111 of the Uniform Revised Limited Partnership Act;

22 S. "sign" means:

23 (1) to execute or adopt a tangible symbol with  
24 the present intent to authenticate a record; or

25 (2) to attach or logically associate an

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1 electronic symbol, sound or process to or with a record with  
2 the present intent to authenticate the record;

3 T. "state" means a state of the United States, the  
4 District of Columbia, Puerto Rico, the United States Virgin  
5 Islands or any territory or insular possession subject to the  
6 jurisdiction of the United States;

7 U. "transfer" includes an assignment, conveyance,  
8 deed, bill of sale, lease, mortgage, security interest,  
9 encumbrance, gift and transfer by operation of law;

10 V. "transferable interest" means a partner's right  
11 to receive distributions; and

12 W. "transferee" means a person to which all or part  
13 of a transferable interest has been transferred, whether or not  
14 the transferor is a partner.

15 Section 103. KNOWLEDGE AND NOTICE.--

16 A. A person knows a fact if the person has actual  
17 knowledge of it.

18 B. A person has notice of a fact if the person:

19 (1) knows of it;

20 (2) has received a notification of it;

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

23 (4) has notice of it pursuant to Subsection C  
24 or D of this section.

25 C. A certificate of limited partnership on file in

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1 the office of the secretary of state is notice that the  
2 partnership is a limited partnership and the persons designated  
3 in the certificate as general partners are general partners.  
4 Except as otherwise provided in Subsection D of this section,  
5 the certificate is not notice of any other fact.

6 D. A person has notice of:

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

13 (2) a limited partnership's dissolution,  
14 ninety days after the effective date of an amendment to the  
15 certificate of limited partnership stating that the limited  
16 partnership is dissolved;

17 (3) a limited partnership's termination,  
18 ninety days after the effective date of a statement of  
19 termination;

20 (4) a limited partnership's conversion  
21 pursuant to Article 11 of the Uniform Revised Limited  
22 Partnership Act, ninety days after the effective date of the  
23 articles of conversion; or

24 (5) a merger pursuant to Article 11 of the  
25 Uniform Revised Limited Partnership Act, ninety days after the

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1 effective date of the articles of merger.

2 E. A person notifies or gives a notification to  
3 another person by taking steps reasonably required to inform  
4 the other person in ordinary course, whether or not the other  
5 person learns of it.

6 F. A person receives a notification when the  
7 notification:

8 (1) comes to the person's attention; or  
9 (2) is delivered at the person's place of  
10 business or at any other place held out by the person as a  
11 place for receiving communications.

12 G. Except as otherwise provided in Subsection H of  
13 this section, a person other than an individual knows, has  
14 notice or receives a notification of a fact for purposes of a  
15 particular transaction when the individual conducting the  
16 transaction for the person knows, has notice or receives a  
17 notification of the fact, or in any event when the fact would  
18 have been brought to the individual's attention if the person  
19 had exercised reasonable diligence. A person other than an  
20 individual exercises reasonable diligence if it maintains  
21 reasonable routines for communicating significant information  
22 to the individual conducting the transaction for the person and  
23 there is reasonable compliance with the routines. Reasonable  
24 diligence does not require an individual acting for the person  
25 to communicate information unless the communication is part of

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1 the individual's regular duties or the individual has reason to  
2 know of the transaction and that the transaction would be  
3 materially affected by the information.

4 H. A general partner's knowledge, notice or receipt  
5 of a notification of a fact relating to the limited partnership  
6 is effective immediately as knowledge of, notice to or receipt  
7 of a notification by the limited partnership, except in the  
8 case of a fraud on the limited partnership committed by or with  
9 the consent of the general partner. A limited partner's  
10 knowledge, notice or receipt of a notification of a fact  
11 relating to the limited partnership is not effective as  
12 knowledge of, notice to or receipt of a notification by the  
13 limited partnership.

14 Section 104. NATURE, PURPOSE AND DURATION OF ENTITY.--

15 A. A limited partnership is an entity distinct from  
16 its partners.

17 B. A limited partnership may be organized pursuant  
18 to the Uniform Revised Limited Partnership Act for any lawful  
19 purpose.

20 C. A limited partnership has a perpetual duration.

21 Section 105. POWERS.--A limited partnership has the  
22 powers to do all things necessary or convenient to carry on its  
23 activities, including the power to sue, be sued and defend in  
24 its own name and to maintain an action against a partner for  
25 harm caused to the limited partnership by a breach of the

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1 partnership agreement or violation of a duty to the  
2 partnership.

3 Section 106. GOVERNING LAW.--The law of this state  
4 governs relations between the partners of a limited partnership  
5 and between the partners and the limited partnership, and the  
6 liability of partners as partners for an obligation of the  
7 limited partnership.

8 Section 107. SUPPLEMENTAL PRINCIPLES OF LAW--RATE OF  
9 INTEREST.--

10 A. Unless displaced by particular provisions of the  
11 Uniform Revised Limited Partnership Act, the principles of law  
12 and equity supplement that act.

13 B. If an obligation to pay interest arises pursuant  
14 to the Uniform Revised Limited Partnership Act and the rate is  
15 not specified, the rate is that specified in Section 56-8-4  
16 NMSA 1978 for judgments and decrees.

17 Section 108. NAME.--

18 A. The name of a limited partnership may contain  
19 the name of any partner.

20 B. The name of a limited partnership that is not a  
21 limited liability limited partnership shall contain the phrase  
22 "limited partnership" or the abbreviation "L.P." or "LP" and  
23 shall not contain the phrase "limited liability limited  
24 partnership" or the abbreviation "LLLP" or "L.L.L.P.".

25 C. The name of a limited liability limited

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1 partnership shall contain the phrase "limited liability limited  
2 partnership" or the abbreviation "LLLP" or "L.L.L.P." and shall  
3 not contain the abbreviation "L.P." or "LP".

4 D. Unless authorized by Subsection E of this  
5 section, the name of a limited partnership must be  
6 distinguishable in the records of the secretary of state from:

7 (1) the name of each person other than an  
8 individual incorporated, organized or authorized to transact  
9 business in this state;

10 (2) each name reserved pursuant to Section 109  
11 of the Uniform Revised Limited Partnership Act or Section  
12 53-11-8 or 53-19-4 NMSA 1978; and

13 (3) each name registered pursuant to Section  
14 53-11-9 NMSA 1978.

15 E. A limited partnership may apply to the secretary  
16 of state for authorization to use a name that does not comply  
17 with Subsection D of this section. The secretary of state  
18 shall authorize use of the name applied for if, as to each  
19 conflicting name:

20 (1) the present user, registrant or owner of  
21 the conflicting name consents in a signed record to the use and  
22 submits an undertaking in a form satisfactory to the secretary  
23 of state to change the conflicting name to a name that complies  
24 with Subsection D of this section and is distinguishable in the  
25 records of the secretary of state from the name applied for;

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1 (2) the applicant delivers to the secretary of  
2 state a certified copy of the final judgment of a court of  
3 competent jurisdiction establishing the applicant's right to  
4 use in this state the name applied for; or

5 (3) the applicant delivers to the secretary of  
6 state proof satisfactory to the secretary of state that the  
7 present user, registrant or owner of the conflicting name:

8 (a) has merged into the applicant;

9 (b) has been converted into the  
10 applicant; or

11 (c) has transferred substantially all of  
12 its assets, including the conflicting name, to the applicant.

13 F. Subject to Section 905 of the Uniform Revised  
14 Limited Partnership Act, this section applies to any foreign  
15 limited partnership transacting business in this state, having  
16 a certificate of authority to transact business in this state  
17 or applying for a certificate of authority.

18 Section 109. RESERVATION OF NAME.--

19 A. The exclusive right to the use of a name that  
20 complies with Section 108 of the Uniform Revised Limited  
21 Partnership Act may be reserved by:

22 (1) a person intending to organize a limited  
23 partnership pursuant to that act and to adopt the name;

24 (2) a limited partnership or a foreign limited  
25 partnership authorized to transact business in this state

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1 intending to adopt the name;

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

5 (4) a person intending to organize a foreign  
6 limited partnership and intending to have it obtain a  
7 certificate of authority to transact business in this state and  
8 adopt the name;

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

11 (6) a foreign limited partnership formed under  
12 a name that does not comply with Subsection B or C of Section  
13 108 of the Uniform Revised Limited Partnership Act, but the  
14 name reserved pursuant to this paragraph may differ from the  
15 foreign limited partnership's name only to the extent necessary  
16 to comply with Subsections B and C of Section 108 of the  
17 Uniform Revised Limited Partnership Act.

18 B. A person may apply to reserve a name pursuant to  
19 Subsection A of this section by delivering to the secretary of  
20 state for filing an application that states the name to be  
21 reserved and the paragraph of Subsection A of this section that  
22 applies. If the secretary of state finds that the name is  
23 available for use by the applicant, the secretary of state  
24 shall file a statement of name reservation and thereby reserve  
25 the name for the exclusive use of the applicant for one hundred

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1 twenty days.

2 C. An applicant that has reserved a name pursuant  
3 to Subsection B of this section may reserve the same name for  
4 additional one hundred twenty-day periods. A person having a  
5 current reservation for a name may not apply for another one  
6 hundred twenty-day period for the same name until ninety days  
7 have elapsed in the current reservation.

8 D. A person that has reserved a name pursuant to  
9 this section may deliver to the secretary of state for filing a  
10 notice of transfer that states the reserved name, the name and  
11 street and mailing address of some other person to which the  
12 reservation is to be transferred and the paragraph of  
13 Subsection A of this section that applies to the other person.  
14 Subject to Subsection C of Section 206 of the Uniform Revised  
15 Limited Partnership Act, the transfer is effective when the  
16 secretary of state files the notice of transfer.

17 Section 110. EFFECT OF PARTNERSHIP AGREEMENT--NONWAIVABLE  
18 PROVISIONS.--

19 A. Except as otherwise provided in Subsection B of  
20 this section, the partnership agreement governs relations  
21 between the partners and between the partners and the  
22 partnership. To the extent the partnership agreement does not  
23 otherwise provide, the Uniform Revised Limited Partnership Act  
24 governs relations between the partners and between the partners  
25 and the partnership.

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B. A partnership agreement may not:

(1) vary a limited partnership's power pursuant to Section 105 of the Uniform Revised Limited Partnership Act to sue, be sued and defend in its own name;

(2) vary the law applicable to a limited partnership pursuant to Section 106 of the Uniform Revised Limited Partnership Act;

(3) vary the requirements of Section 204 of the Uniform Revised Limited Partnership Act or Section 54-2-12 NMSA 1978;

(4) vary the information required pursuant to Section 111 of the Uniform Revised Limited Partnership Act or Section 54-2-6 NMSA 1978 or unreasonably restrict the right to information pursuant to Section 304 or 407 of the Uniform Revised Limited Partnership Act, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained pursuant to those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;

(5) eliminate the duty of loyalty pursuant to Section 408 of the Uniform Revised Limited Partnership Act, but the partnership agreement may:

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

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

5 (6) unreasonably reduce the duty of care  
6 pursuant to Subsection C of Section 408 of the Uniform Revised  
7 Limited Partnership Act;

8 (7) eliminate the obligation of good faith and  
9 fair dealing pursuant to Subsection B of Section 305 and  
10 Subsection D of Section 408 of the Uniform Revised Limited  
11 Partnership Act, but the partnership agreement may prescribe  
12 the standards by which the performance of the obligation is to  
13 be measured, if the standards are not manifestly unreasonable;

14 (8) vary the power of a person to dissociate  
15 as a general partner pursuant to Subsection A of Section 604 of  
16 the Uniform Revised Limited Partnership Act except to require  
17 that the notice pursuant to Subsection A of Section 603 of the  
18 Uniform Revised Limited Partnership Act be in a record;

19 (9) vary the power of a court to decree  
20 dissolution in the circumstances specified in Section 802 of  
21 the Uniform Revised Limited Partnership Act;

22 (10) vary the requirement to wind up the  
23 partnership's business as specified in Section 803 of the  
24 Uniform Revised Limited Partnership Act;

25 (11) unreasonably restrict the right to

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1 maintain an action pursuant to Article 10 of the Uniform  
2 Revised Limited Partnership Act;

3 (12) restrict the right of a partner pursuant  
4 to Subsection A of Section 1110 of the Uniform Revised Limited  
5 Partnership Act to approve a conversion or merger; or

6 (13) restrict rights pursuant to the Uniform  
7 Revised Limited Partnership Act of a person other than a  
8 partner or a transferee.

9 Section 111. REQUIRED INFORMATION.--A limited partnership  
10 shall maintain at its designated office the following  
11 information:

12 A. a current list showing the full name and last  
13 known street and mailing address of each partner, separately  
14 identifying the general partners, in alphabetical order, and  
15 the limited partners, in alphabetical order;

16 B. a copy of the initial certificate of limited  
17 partnership and all amendments to and restatements of the  
18 certificate, together with signed copies of any powers of  
19 attorney under which any certificate, amendment or restatement  
20 has been signed;

21 C. a copy of any filed articles of conversion or  
22 merger;

23 D. a copy of the limited partnership's federal,  
24 state and local income tax returns and reports, if any, for the  
25 three most recent years;

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1           E. a copy of any partnership agreement made in a  
2 record and any amendment made in a record to any partnership  
3 agreement;

4           F. a copy of any financial statement of the limited  
5 partnership for the three most recent years;

6           G. a copy of any record made by the limited  
7 partnership during the past three years of any consent given by  
8 or vote taken of any partner pursuant to the Uniform Revised  
9 Limited Partnership Act or the partnership agreement; and

10          H. unless contained in a partnership agreement made  
11 in a record, a record stating:

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

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

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

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

24           Section 112. BUSINESS TRANSACTIONS OF PARTNER WITH  
25 PARTNERSHIP.--A partner may lend money to and transact other

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1 business with the limited partnership and has the same rights  
2 and obligations with respect to the loan or other transaction  
3 as a person that is not a partner.

4 Section 113. DUAL CAPACITY.--A person may be both a  
5 general partner and a limited partner. A person that is both a  
6 general and limited partner has the rights, powers, duties and  
7 obligations provided by the Uniform Revised Limited Partnership  
8 Act and the partnership agreement in each of those capacities.  
9 When the person acts as a general partner, the person is  
10 subject to the obligations, duties and restrictions pursuant to  
11 that act and the partnership agreement for general partners.  
12 When the person acts as a limited partner, the person is  
13 subject to the obligations, duties and restrictions pursuant to  
14 that act and the partnership agreement for limited partners.

15 Section 114. OFFICE AND AGENT FOR SERVICE OF PROCESS.--

16 A. A limited partnership shall designate and  
17 continuously maintain in this state:

18 (1) an office, which need not be a place of  
19 its activity in this state; and

20 (2) an agent for service of process.

21 B. A foreign limited partnership shall designate  
22 and continuously maintain in this state an agent for service of  
23 process.

24 C. An agent for service of process of a limited  
25 partnership or foreign limited partnership must be an

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1 individual who is a resident of this state or other person  
2 authorized to do business in this state.

3 Section 115. CHANGE OF DESIGNATED OFFICE OR AGENT FOR  
4 SERVICE OF PROCESS.--In order to change its designated office,  
5 agent for service of process or the address of its agent for  
6 service of process, a limited partnership or a foreign limited  
7 partnership shall deliver to the secretary of state for filing  
8 an amendment or restatement of its certificate of limited  
9 partnership.

10 Section 116. RESIGNATION OF AGENT FOR SERVICE OF  
11 PROCESS.--

12 A. In order to resign as an agent for service of  
13 process of a limited partnership or foreign limited  
14 partnership, the agent must deliver to the secretary of state  
15 for filing a statement of resignation containing the name of  
16 the limited partnership or foreign limited partnership.

17 B. After receiving a statement of resignation, the  
18 secretary of state shall file it and mail a copy to the  
19 designated office of the limited partnership or foreign limited  
20 partnership and mail another copy to the principal office if  
21 the address of the office appears in the records of the  
22 secretary of state and is different from the address of the  
23 designated office.

24 C. An agency for service of process is terminated  
25 on the thirty-first day after the secretary of state files the

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1 statement of resignation.

2 Section 117. SERVICE OF PROCESS.--

3 A. An agent for service of process appointed by a  
4 limited partnership or foreign limited partnership is an agent  
5 of the limited partnership or foreign limited partnership for  
6 service of any process, notice or demand required or permitted  
7 by law to be served upon the limited partnership or foreign  
8 limited partnership.

9 B. If a limited partnership or foreign limited  
10 partnership does not appoint or maintain an agent for service  
11 of process in this state or the agent for service of process  
12 cannot with reasonable diligence be found at the agent's  
13 address, the secretary of state is an agent of the limited  
14 partnership or foreign limited partnership upon whom process,  
15 notice or demand may be served.

16 C. Service of any process, notice or demand on the  
17 secretary of state may be made by delivering to and leaving  
18 with the secretary of state duplicate copies of the process,  
19 notice or demand and the fee required by Section 210 of the  
20 Uniform Revised Limited Partnership Act. If a process, notice  
21 or demand is served on the secretary of state, the secretary of  
22 state shall forward one of the copies by registered or  
23 certified mail, return receipt requested, to the limited  
24 partnership or foreign limited partnership at its designated  
25 office.

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1           D. Service is effected pursuant to Subsection C of  
2 this section at the earliest of:

3                   (1) the date the limited partnership or  
4 foreign limited partnership receives the process, notice or  
5 demand;

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

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

12           E. The secretary of state shall keep a record of  
13 each process, notice and demand served pursuant to this section  
14 and record the time of, and the action taken regarding, the  
15 service. These records may be destroyed after five years.

16           F. This section does not affect the right to serve  
17 process, notice or demand in any other manner provided by law.

18           Section 118. CONSENT AND PROXIES OF PARTNERS.--Action  
19 requiring the consent of partners pursuant to the Uniform  
20 Revised Limited Partnership Act may be taken without a meeting,  
21 and a partner may appoint a proxy to consent or otherwise act  
22 for the partner by signing an appointment record, either  
23 personally or by the partner's attorney in fact.

24           Section 119. LIMITED PARTNERSHIP SUBJECT TO AMENDMENT OR  
25 REPEAL OF THE UNIFORM REVISED LIMITED PARTNERSHIP ACT.--A

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1 limited partnership governed by the Uniform Revised Limited  
2 Partnership Act is subject to any amendment to or repeal of  
3 that act.

4 ARTICLE 2

5 FORMATION; CERTIFICATE OF  
6 LIMITED PARTNERSHIP AND OTHER FILINGS

7 Section 201. FORMATION OF LIMITED PARTNERSHIP--  
8 CERTIFICATE OF LIMITED PARTNERSHIP.--

9 A. In order for a limited partnership to be formed,  
10 a certificate of limited partnership must be delivered to the  
11 secretary of state for filing. The certificate must state:

12 (1) the name of the limited partnership, which  
13 must comply with Section 108 of the Uniform Revised Limited  
14 Partnership Act;

15 (2) the street and mailing address of the  
16 initial designated office and the name and street and mailing  
17 address of the initial agent for service of process;

18 (3) the name and street and mailing address of  
19 each general partner;

20 (4) that the limited partnership is a limited  
21 liability partnership; and

22 (5) any additional information required by  
23 Article 11 of the Uniform Revised Limited Partnership Act.

24 B. A certificate of limited partnership may also  
25 contain any other matters but may not vary or otherwise affect

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1 the provisions specified in Subsection B of Section 110 of the  
2 Uniform Revised Limited Partnership Act in a manner  
3 inconsistent with that section.

4 C. If there has been substantial compliance with  
5 Subsection A of this section, subject to Subsection C of  
6 Section 206 of the Uniform Revised Limited Partnership Act, a  
7 limited partnership is formed when the secretary of state files  
8 the certificate of limited partnership. The filing of a  
9 limited partnership certificate establishes that all conditions  
10 precedent to the formation of the limited partnership have been  
11 satisfied and that the limited partnership has been duly  
12 organized under the Uniform Revised Limited Partnership Act.

13 D. Subject to Subsection B of this section, if any  
14 provision of a partnership agreement is inconsistent with the  
15 filed certificate of limited partnership or with a filed  
16 statement of dissociation, termination or filed articles of  
17 conversion or merger:

18 (1) the partnership agreement prevails as to  
19 partners and transferees; and

20 (2) the filed certificate of limited  
21 partnership, statement of dissociation, termination or filed  
22 articles of conversion or merger prevail as to persons, other  
23 than partners and transferees, that reasonably rely on the  
24 filed record to their detriment.

25 E. Certificates of limited partnership filed with a

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1 county clerk before July 1, 1993 may be refiled with the  
2 secretary of state. Such a refiling supersedes the filing in  
3 the county clerk's office. Certificates of limited partnership  
4 not refiled with the secretary of state shall remain valid  
5 until expiration or until cancellation pursuant to a  
6 certificate of cancellation filed with the county clerk.

7 Section 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE.--

8 A. In order to amend its certificate of limited  
9 partnership, a limited partnership must deliver to the  
10 secretary of state for filing an amendment or, pursuant to  
11 Article 11 of the Uniform Revised Limited Partnership Act,  
12 articles of merger stating:

13 (1) the name of the limited partnership;

14 (2) the date of filing of its initial  
15 certificate;

16 (3) any identification number assigned by the  
17 secretary of state to the limited partnership or the initial  
18 certificate, or both; and

19 (4) the changes the amendment makes to the  
20 certificate as most recently amended or restated.

21 B. A limited partnership shall promptly deliver to  
22 the secretary of state for filing an amendment to a certificate  
23 of limited partnership to reflect:

24 (1) any change in the information stated in  
25 its certificate of limited partnership;

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1 (2) a change of name of the limited  
2 partnership, if its name does not comply with Section 108 of  
3 the Uniform Revised Limited Partnership Act;

4 (3) any other additional or different  
5 information required to be stated in its limited partnership  
6 certificate by Section 201 of the Uniform Revised Limited  
7 Partnership Act that is not stated in the certificate; or

8 (4) the appointment of a person to wind up the  
9 limited partnership's activities pursuant to Subsection C or D  
10 of Section 803 of the Uniform Revised Limited Partnership Act.

11 C. A general partner that knows that any  
12 information in a filed certificate of limited partnership was  
13 false when the certificate was filed or has become false due to  
14 changed circumstances shall promptly:

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

16 (2) if appropriate, deliver to the secretary  
17 of state for filing a statement of correction pursuant to  
18 Section 207 of the Uniform Revised Limited Partnership Act.

19 D. A certificate of limited partnership may be  
20 amended at any time for any other proper purpose as determined  
21 by the limited partnership.

22 E. A restated certificate of limited partnership  
23 may be delivered to the secretary of state for filing in the  
24 same manner as an amendment.

25 F. Subject to Subsection C of Section 206 of the

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1 Uniform Revised Limited Partnership Act, an amendment or  
2 restated certificate is effective when filed by the secretary  
3 of state.

4 Section 203. STATEMENT OF TERMINATION.--A dissolved  
5 limited partnership that has completed winding up may deliver  
6 to the secretary of state for filing a statement of termination  
7 that states:

- 8 A. the name of the limited partnership;  
9 B. the date of filing of its initial certificate of  
10 limited partnership; and  
11 C. any other information as determined by the  
12 general partners filing the statement or by a person appointed  
13 pursuant to Subsection C or D of Section 803 of the Uniform  
14 Revised Limited Partnership Act.

15 Section 204. SIGNING OF RECORDS.--

16 A. Each record delivered to the secretary of state  
17 for filing pursuant to the Uniform Revised Limited Partnership  
18 Act must be signed in the following manner:

19 (1) an initial certificate of limited  
20 partnership must be signed by all general partners listed in  
21 the certificate;

22 (2) an amendment designating as general  
23 partner a person admitted pursuant to Paragraph (2) of  
24 Subsection C of Section 801 of the Uniform Revised Limited  
25 Partnership Act following the dissociation of a limited

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1 partnership's last general partner must be signed by that  
2 person;

3 (3) an amendment required by Subsection C of  
4 Section 803 of the Uniform Revised Limited Partnership Act  
5 following the appointment of a person to wind up the dissolved  
6 limited partnership's activities must be signed by that person;

7 (4) any other amendment must be signed by:

8 (a) at least one general partner listed  
9 in the certificate;

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

12 (c) each person that the amendment  
13 indicates has dissociated as a general partner, unless: 1) the  
14 person is deceased or a guardian or general conservator has  
15 been appointed for the person and the amendment so states; or  
16 2) the person has previously delivered to the secretary of  
17 state for filing a statement of dissociation;

18 (5) a restated certificate of limited  
19 partnership must be signed by at least one general partner  
20 listed in the certificate, and, to the extent the restated  
21 certificate effects a change pursuant to any other paragraph of  
22 this subsection, the certificate must be signed in a manner  
23 that satisfies that paragraph;

24 (6) a statement of termination must be signed  
25 by all general partners listed in the certificate or, if the

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1 certificate of a dissolved limited partnership lists no general  
2 partners, by the person appointed pursuant to Subsection C or D  
3 of Section 803 of the Uniform Revised Limited Partnership Act  
4 to wind up the dissolved limited partnership's activities;

5 (7) articles of conversion must be signed by  
6 each general partner listed in the certificate of limited  
7 partnership;

8 (8) articles of merger must be signed as  
9 provided in Subsection A of Section 1108 of the Uniform Revised  
10 Limited Partnership Act;

11 (9) any other record delivered on behalf of a  
12 limited partnership to the secretary of state for filing must  
13 be signed by at least one general partner listed in the  
14 certificate;

15 (10) a statement by a person pursuant to  
16 Paragraph (4) of Subsection A of Section 605 of the Uniform  
17 Revised Limited Partnership Act stating that the person has  
18 dissociated as a general partner must be signed by that person;

19 (11) a statement of withdrawal by a person  
20 pursuant to Section 306 of the Uniform Revised Limited  
21 Partnership Act must be signed by that person;

22 (12) a record delivered on behalf of a foreign  
23 limited partnership to the secretary of state for filing must  
24 be signed by at least one general partner of the foreign  
25 limited partnership; and

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1 (13) any other record delivered on behalf of  
2 any person to the secretary of state for filing must be signed  
3 by that person.

4 B. Any person may sign by an attorney in fact any  
5 record to be filed pursuant to the Uniform Revised Limited  
6 Partnership Act.

7 Section 205. SIGNING AND FILING PURSUANT TO JUDICIAL  
8 ORDER.--

9 A. If a person required by the Uniform Revised  
10 Limited Partnership Act to sign a record or deliver a record to  
11 the secretary of state for filing does not do so, any other  
12 person that is aggrieved may petition the district court to  
13 order:

14 (1) the person to sign the record;

15 (2) delivery of the record to the secretary of  
16 state for filing; or

17 (3) the secretary of state to file the record  
18 unsigned.

19 B. If the person aggrieved pursuant to Subsection A  
20 of this section is not the limited partnership or foreign  
21 limited partnership to which the record pertains, the aggrieved  
22 person shall make the limited partnership or foreign limited  
23 partnership a party to the action. A person aggrieved pursuant  
24 to Subsection A of this section may seek the remedies provided  
25 in Subsection A of this section in the same action in

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1 combination or in the alternative.

2 C. A record filed unsigned pursuant to this section  
3 is effective without being signed.

4 Section 206. DELIVERY TO AND FILING OF RECORDS BY  
5 SECRETARY OF STATE--EFFECTIVE TIME AND DATE.--

6 A. A record authorized or required to be delivered  
7 to the secretary of state for filing pursuant to the Uniform  
8 Revised Limited Partnership Act must:

9 (1) be captioned to describe the record's  
10 purpose;

11 (2) be in a medium permitted by the secretary  
12 of state;

13 (3) use the English language, except for  
14 proper names, which must use letters of the English alphabet,  
15 and Arabic numbers;

16 (4) state any identification number issued by  
17 the secretary of state to the limited partnership to which the  
18 record refers, to any filed record to which the record refers,  
19 or both;

20 (5) be accompanied by the fee required by  
21 Section 210 of that act, or an amount greater than that fee,  
22 but any amount greater than that fee shall not be refunded; and

23 (6) be delivered to the secretary of state.

24 B. Unless the secretary of state determines that a  
25 record does not comply with the filing requirements of the

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1 Uniform Revised Limited Partnership Act, and if all filing fees  
2 have been paid, the secretary of state shall endorse on it the  
3 word "filed" and the day, month and year of filing, file the  
4 record and:

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

6 (a) a copy of the filed statement and a  
7 receipt for the fees to the person that the statement indicates  
8 has dissociated as a general partner; and

9 (b) a copy of the filed statement and  
10 receipt to the limited partnership;

11 (2) for a statement of withdrawal by a person  
12 pursuant to Section 306 of the Uniform Revised Limited  
13 Partnership Act, send:

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

17 (b) if the statement refers to an  
18 existing limited partnership, a copy of the filed statement and  
19 receipt to the limited partnership; and

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

23 C. Upon request and payment of a fee, the secretary  
24 of state shall send to the requester a certified copy of the  
25 requested record.

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1           D. Except as otherwise provided in Sections 116 and  
2 207 of the Uniform Revised Limited Partnership Act, a record  
3 delivered to the secretary of state for filing pursuant to the  
4 Uniform Revised Limited Partnership Act may specify an  
5 effective time and a delayed effective date. Except as  
6 otherwise provided in the Uniform Revised Limited Partnership  
7 Act, a record filed by the secretary of state is effective:

8                   (1) if the record does not specify an  
9 effective time and does not specify a delayed effective date,  
10 on the date and at the time the record is filed as evidenced by  
11 the secretary of state's endorsement of the date and time on  
12 the record;

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

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

19                           (a) the specified date; or  
20                           (b) the ninetieth day after the record  
21 is filed; or

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

25                           (a) the specified date; or

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1 (b) the ninetieth day after the record  
2 is filed.

3 Section 207. CORRECTING FILED RECORD.--

4 A. A limited partnership or foreign limited  
5 partnership shall deliver to the secretary of state for filing  
6 a statement of correction to correct a record previously  
7 delivered by the limited partnership or foreign limited  
8 partnership to the secretary of state and filed by the  
9 secretary of state, if at the time of filing the record  
10 contained false or erroneous information or was defectively  
11 signed. The statement of correction shall be delivered to the  
12 secretary of state for filing promptly after the limited  
13 partnership or foreign limited partnership has notice that the  
14 information in the filed record was false or erroneous at the  
15 time it was filed or that the filed record was defectively  
16 signed.

17 B. A statement of correction may not state a  
18 delayed effective date and must:

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

22 (2) state any identification number assigned  
23 by the secretary of state to the limited partnership, to the  
24 record to be corrected, or both;

25 (3) specify the incorrect information and the

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1 reason it is incorrect or the manner in which the signing was  
2 defective; and

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

5 C. When filed by the secretary of state, a  
6 statement of correction is effective retroactively as of the  
7 effective date of the record the statement corrects, but the  
8 statement is effective when filed:

9 (1) for the purposes of Subsections C and D of  
10 Section 103 of the Uniform Revised Limited Partnership Act; and

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

13 Section 208. LIABILITY FOR FALSE INFORMATION IN FILED  
14 RECORD.--

15 A. If a record delivered to the secretary of state  
16 for filing pursuant to the Uniform Revised Limited Partnership  
17 Act and filed by the secretary of state contains false  
18 information, a person that suffers loss by reliance on the  
19 information may recover damages for the loss from:

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

23 (2) a general partner that has notice that the  
24 information was false when the record was filed or has become  
25 false because of changed circumstances, if the general partner

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1 has notice for a reasonably sufficient time before the  
2 information is relied upon to enable the general partner to  
3 effect an amendment pursuant to Section 202 of the Uniform  
4 Revised Limited Partnership Act, file a petition pursuant to  
5 Section 205 of that act or deliver to the secretary of state  
6 for filing a statement of correction pursuant to Section 207 of  
7 that act or a revised application for a certificate of  
8 authority to transact business in this state pursuant to  
9 Section 906 of that act.

10 B. Signing a record authorized or required to be  
11 filed pursuant to the Uniform Revised Limited Partnership Act  
12 constitutes an affirmation under the penalties of perjury that  
13 the facts stated in the record are true.

14 Section 209. CERTIFICATE OF EXISTENCE OR AUTHORIZATION.--

15 A. The secretary of state, upon request and payment  
16 of the requisite fee, shall furnish a certificate of existence  
17 for a limited partnership if the records filed in the office of  
18 the secretary of state show that the secretary of state has  
19 filed a certificate of limited partnership and has not filed a  
20 statement of termination. A certificate of existence must  
21 state:

- 22 (1) the limited partnership's name;  
23 (2) that it was duly formed pursuant to the  
24 laws of this state and the date of formation;  
25 (3) any identification number assigned by the

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1 secretary of state to the limited partnership;

2 (4) whether all fees and penalties due to the  
3 secretary of state pursuant to the Uniform Revised Limited  
4 Partnership Act or other law have been paid;

5 (5) whether the secretary of state has  
6 administratively dissolved the limited partnership;

7 (6) whether the limited partnership's  
8 certificate of limited partnership has been amended to state  
9 that the limited partnership is dissolved;

10 (7) that a statement of termination has not  
11 been filed by the secretary of state; and

12 (8) other facts of record in the office of the  
13 secretary of state, which may be requested by the applicant.

14 B. The secretary of state, upon request and payment  
15 of the requisite fee, shall furnish a certificate of  
16 authorization for a foreign limited partnership if the records  
17 filed in the office of the secretary of state show that the  
18 secretary of state has filed a certificate of authorization,  
19 has not revoked the certificate of authorization and has not  
20 filed a notice of cancellation. A certificate of authorization  
21 must state:

22 (1) the foreign limited partnership's name and  
23 any alternate name adopted pursuant to Subsection A of Section  
24 905 of the Uniform Revised Limited Partnership Act for use in  
25 this state;

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1 (2) any identification number assigned by the  
2 secretary of state to the foreign limited partnership;

3 (3) that it is authorized to transact business  
4 in this state;

5 (4) whether all fees and penalties due to the  
6 secretary of state pursuant to the Uniform Revised Limited  
7 Partnership Act or other law have been paid;

8 (5) that the secretary of state has not  
9 revoked its certificate of authorization and has not filed a  
10 notice of cancellation; and

11 (6) other facts of record in the office of the  
12 secretary of state, which may be requested by the applicant.

13 C. Subject to any qualification stated in the  
14 certificate, a certificate of existence or authorization issued  
15 by the secretary of state may be relied upon as conclusive  
16 evidence that the limited partnership or foreign limited  
17 partnership is in existence or is authorized to transact  
18 business in this state.

19 Section 210. SECRETARY OF STATE FEES.--

20 A. The secretary of state shall charge and collect  
21 a fee as follows:

22 (1) filing an initial or restated certificate  
23 of limited partnership, a fee of one hundred dollars (\$100);

24 (2) filing an application for a certificate of  
25 authority by a foreign limited partnership, articles of

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1 conversion or articles of merger, a fee of two hundred dollars  
2 (\$200);

3 (3) filing any other record, a fee of fifty  
4 dollars (\$50.00);

5 (4) furnishing copies of records, a fee of one  
6 dollar (\$1.00) per page, but in no case less than ten dollars  
7 (\$10.00), and a fee of twenty-five dollars (\$25.00) for  
8 certifying the copies, if certified copies are furnished;

9 (5) issuing any other certificate, a fee of  
10 fifty dollars (\$50.00); and

11 (6) service of process or of a notice or  
12 demand on the secretary of state, a fee of fifty dollars  
13 (\$50.00).

14 B. The secretary of state may adopt a schedule of  
15 reasonable fees for providing the following services:

16 (1) an expedited service;

17 (2) upon the adoption of rules authorizing  
18 their use, the handling of checks, drafts, credit or debit  
19 cards, or other means of payment for which sufficient funds are  
20 not on deposit; and

21 (3) other services for which no fee is  
22 established by law.

### 23 ARTICLE 3

#### 24 LIMITED PARTNERS

25 Section 301. BECOMING LIMITED PARTNER.--A person becomes

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1 a limited partner:

2 A. as provided in the partnership agreement;

3 B. as the result of a conversion or merger pursuant  
4 to Article 11 of the Uniform Revised Limited Partnership Act;  
5 or

6 C. with the consent of all the partners.

7 Section 302. NO RIGHT OR POWER AS LIMITED PARTNER TO BIND  
8 LIMITED PARTNERSHIP.--A limited partner does not have the right  
9 or the power as a limited partner to act for or bind the  
10 limited partnership.

11 Section 303. NO LIABILITY AS LIMITED PARTNER FOR LIMITED  
12 PARTNERSHIP OBLIGATIONS.--An obligation of a limited  
13 partnership, whether arising in contract, tort or otherwise is  
14 not the obligation of a limited partner. A limited partner is  
15 not personally liable, directly or indirectly, by way of  
16 contribution or otherwise, for an obligation of the limited  
17 partnership solely by reason of being a limited partner, even  
18 if the limited partner participates in the management and  
19 control of the limited partnership.

20 Section 304. RIGHT OF LIMITED PARTNER AND FORMER LIMITED  
21 PARTNER TO INFORMATION.--

22 A. On ten days' demand, made in a record received  
23 by the limited partnership, a limited partner may inspect and  
24 copy required information during regular business hours in the  
25 limited partnership's designated office. The limited partner

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1 need not have any particular purpose for seeking the  
2 information.

3 B. During regular business hours and at a  
4 reasonable location specified by the limited partnership, a  
5 limited partner may obtain from the limited partnership and  
6 inspect and copy true and full information regarding the state  
7 of the activities and financial condition of the limited  
8 partnership and other information regarding the activities of  
9 the limited partnership as is just and reasonable if:

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

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

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

19 C. Within ten days after receiving a demand  
20 pursuant to Subsection B of this section, the limited  
21 partnership in a record shall inform the limited partner that  
22 made the demand:

23 (1) what information the limited partnership  
24 will provide in response to the demand;

25 (2) when and where the limited partnership

1 will provide the information; and

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

5 D. Subject to Subsection F of this section, a  
6 person dissociated as a limited partner may inspect and copy  
7 required information during regular business hours in the  
8 limited partnership's designated office if:

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

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

13 (3) the person meets the requirements of  
14 Subsection B of this section.

15 E. The limited partnership shall respond to a  
16 demand made pursuant to Subsection D of this section in the  
17 same manner as provided in Subsection C of this section.

18 F. If a limited partner dies, Section 704 of the  
19 Uniform Revised Limited Partnership Act applies.

20 G. The limited partnership may impose reasonable  
21 restrictions on the use of information obtained pursuant to  
22 this section. In a dispute concerning the reasonableness of a  
23 restriction pursuant to this subsection, the limited  
24 partnership has the burden of proving reasonableness.

25 H. A limited partnership may charge a person that

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1 makes a demand pursuant to this section reasonable costs of  
2 copying, limited to the costs of labor and material.

3 I. Whenever the Uniform Revised Limited Partnership  
4 Act or a partnership agreement provides for a limited partner  
5 to give or withhold consent to a matter, before the consent is  
6 given or withheld, the limited partnership shall, without  
7 demand, provide the limited partner with all information  
8 material to the limited partner's decision that the limited  
9 partnership knows.

10 J. A limited partner or person dissociated as a  
11 limited partner may exercise the rights pursuant to this  
12 section through an attorney or other agent. Any restriction  
13 imposed pursuant to Subsection G of this section or by the  
14 partnership agreement applies both to the attorney or other  
15 agent and to the limited partner or person dissociated as a  
16 limited partner.

17 K. The rights stated in this section do not extend  
18 to a person as transferee, but may be exercised by the legal  
19 representative of an individual under legal disability who is a  
20 limited partner or person dissociated as a limited partner.

21 Section 305. LIMITED DUTIES OF LIMITED PARTNERS.--

22 A. A limited partner does not have any fiduciary  
23 duty to the limited partnership or to any other partner solely  
24 by reason of being a limited partner.

25 B. A limited partner shall discharge the duties to

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1 the partnership and the other partners pursuant to the Uniform  
2 Revised Limited Partnership Act or pursuant to the partnership  
3 agreement and exercise any rights consistently with the  
4 obligation of good faith and fair dealing.

5 C. A limited partner does not violate a duty or  
6 obligation pursuant to the Uniform Revised Limited Partnership  
7 Act or pursuant to the partnership agreement merely because the  
8 limited partner's conduct furthers the limited partner's own  
9 interest.

10 Section 306. PERSON ERRONEOUSLY BELIEVING SELF TO BE  
11 LIMITED PARTNER.--

12 A. Except as otherwise provided in Subsection B of  
13 this section, a person that makes an investment in a business  
14 enterprise and erroneously but in good faith believes that the  
15 person has become a limited partner in the enterprise is not  
16 liable for the enterprise's obligations by reason of making the  
17 investment, receiving distributions from the enterprise or  
18 exercising any rights of or appropriate to a limited partner,  
19 if, on ascertaining the mistake, the person:

20 (1) causes an appropriate certificate of  
21 limited partnership, amendment or statement of correction to be  
22 signed and delivered to the secretary of state for filing; or

23 (2) withdraws from future participation as an  
24 owner in the enterprise by signing and delivering to the  
25 secretary of state for filing a statement of withdrawal

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1 pursuant to this section.

2 B. A person that makes an investment described in  
3 Subsection A of this section is liable to the same extent as a  
4 general partner to any third party that enters into a  
5 transaction with the enterprise, believing in good faith that  
6 the person is a general partner, before the secretary of state  
7 files a statement of withdrawal, certificate of limited  
8 partnership, amendment or statement of correction to show that  
9 the person is not a general partner.

10 C. If a person makes a diligent effort in good  
11 faith to comply with Paragraph (1) of Subsection A of this  
12 section and is unable to cause the appropriate certificate of  
13 limited partnership, amendment or statement of correction to be  
14 signed and delivered to the secretary of state for filing, the  
15 person has the right to withdraw from the enterprise pursuant  
16 to Paragraph (2) of Subsection A of this section even if the  
17 withdrawal would otherwise breach an agreement with others that  
18 are or have agreed to become co-owners of the enterprise.

19 ARTICLE 4

20 GENERAL PARTNERS

21 Section 401. BECOMING GENERAL PARTNER.--A person becomes  
22 a general partner:

23 A. as provided in the partnership agreement;

24 B. pursuant to Paragraph (2) of Subsection C of  
25 Section 801 of the Uniform Revised Limited Partnership Act

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1 following the dissociation of a limited partnership's last  
2 general partner;

3 C. as the result of a conversion or merger pursuant  
4 to Article 11 of the Uniform Revised Limited Partnership Act;  
5 or

6 D. with the consent of all the partners.

7 Section 402. GENERAL PARTNER AGENT OF LIMITED  
8 PARTNERSHIP.--

9 A. Each general partner is an agent of the limited  
10 partnership for the purposes of its activities. An act of a  
11 general partner, including the signing of a record in the  
12 partnership's name, for apparently carrying on in the ordinary  
13 course the limited partnership's activities or activities of  
14 the kind carried on by the limited partnership binds the  
15 limited partnership, unless the general partner did not have  
16 authority to act for the limited partnership in the particular  
17 matter and the person with which the general partner was  
18 dealing knew, had received a notification or had notice  
19 pursuant to Subsection D of Section 103 of the Uniform Revised  
20 Limited Partnership Act that the general partner lacked  
21 authority.

22 B. An act of a general partner that is not  
23 apparently for carrying on in the ordinary course the limited  
24 partnership's activities or activities of the kind carried on  
25 by the limited partnership binds the limited partnership only

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1 if the act was actually authorized by all the other partners.

2 Section 403. LIMITED PARTNERSHIP LIABLE FOR GENERAL  
3 PARTNER'S ACTIONABLE CONDUCT.--

4 A. A limited partnership is liable for loss or  
5 injury caused to a person, or for a penalty incurred, as a  
6 result of a wrongful act or omission, or other actionable  
7 conduct, of a general partner acting in the ordinary course of  
8 activities of the limited partnership or with authority of the  
9 limited partnership.

10 B. If, in the course of the limited partnership's  
11 activities or while acting with authority of the limited  
12 partnership, a general partner receives or causes the limited  
13 partnership to receive money or property of a person not a  
14 partner, and the money or property is misapplied by a general  
15 partner, the limited partnership is liable for the loss.

16 Section 404. GENERAL PARTNER'S LIABILITY.--

17 A. Except as otherwise provided in Subsections B  
18 and C of this section, all general partners are liable jointly  
19 and severally for all obligations of the limited partnership  
20 unless otherwise agreed by the claimant or provided by law.

21 B. A person that becomes a general partner of an  
22 existing limited partnership is not personally liable for an  
23 obligation of a limited partnership incurred before the person  
24 became a general partner.

25 C. An obligation of a limited partnership incurred

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1 while the limited partnership is a limited liability limited  
2 partnership, whether arising in contract, tort or otherwise is  
3 solely the obligation of the limited partnership. A general  
4 partner is not personally liable, directly or indirectly, by  
5 way of contribution or otherwise, for such an obligation solely  
6 by reason of being or acting as a general partner. This  
7 subsection applies despite anything inconsistent in the  
8 partnership agreement that existed immediately before the  
9 consent required to become a limited liability limited  
10 partnership pursuant to Paragraph (2) of Subsection B of  
11 Section 406 of the Uniform Revised Limited Partnership Act.

12 Section 405. ACTIONS BY AND AGAINST PARTNERSHIP AND  
13 PARTNERS.--

14 A. To the extent not inconsistent with Section 404  
15 of the Uniform Revised Limited Partnership Act, a general  
16 partner may be joined in an action against the limited  
17 partnership or named in a separate action.

18 B. A judgment against a limited partnership is not  
19 by itself a judgment against a general partner. A judgment  
20 against a limited partnership may not be satisfied from a  
21 general partner's assets unless there is also a judgment  
22 against the general partner.

23 C. A judgment creditor of a general partner may not  
24 levy execution against the assets of the general partner to  
25 satisfy a judgment based on a claim against the limited

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1 partnership, unless the partner is personally liable for the  
2 claim pursuant to Section 404 of the Uniform Revised Limited  
3 Partnership Act and:

4 (1) a judgment based on the same claim has  
5 been obtained against the limited partnership and a writ of  
6 execution on the judgment has been returned unsatisfied in  
7 whole or in part;

8 (2) the limited partnership is a debtor in  
9 bankruptcy;

10 (3) the general partner has agreed that the  
11 creditor need not exhaust limited partnership assets;

12 (4) a court grants permission to the judgment  
13 creditor to levy execution against the assets of a general  
14 partner based on a finding that limited partnership assets  
15 subject to execution are clearly insufficient to satisfy the  
16 judgment, that exhaustion of limited partnership assets is  
17 excessively burdensome or that the grant of permission is an  
18 appropriate exercise of the court's equitable powers; or

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

22 Section 406. MANAGEMENT RIGHTS OF GENERAL PARTNER.--

23 A. Each general partner has equal rights in the  
24 management and conduct of the limited partnership's activities.  
25 Except as expressly provided in the Uniform Revised Limited

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1 Partnership Act, any matter relating to the activities of the  
2 limited partnership may be exclusively decided by the general  
3 partner or, if there is more than one general partner, by a  
4 majority of the general partners.

5 B. The consent of each partner is necessary to:

6 (1) amend the partnership agreement; and

7 (2) sell, lease, exchange or otherwise dispose  
8 of all, or substantially all, of the limited partnership's  
9 property, with or without the goodwill, other than in the usual  
10 and regular course of the limited partnership's activities.

11 C. A limited partnership shall reimburse a general  
12 partner for payments made and indemnify a general partner for  
13 liabilities incurred by the general partner in the ordinary  
14 course of the activities of the partnership or for the  
15 preservation of its activities or property.

16 D. A limited partnership shall reimburse a general  
17 partner for an advance to the limited partnership beyond the  
18 amount of capital the general partner agreed to contribute.

19 E. A payment or advance made by a general partner  
20 that gives rise to an obligation of the limited partnership  
21 pursuant to Subsection C or D of this section constitutes a  
22 loan to the limited partnership, which accrues interest from  
23 the date of the payment or advance.

24 F. A general partner is not entitled to  
25 remuneration for services performed for the partnership.

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1           Section 407. RIGHT OF GENERAL PARTNER AND FORMER GENERAL  
2 PARTNER TO INFORMATION.--

3           A. A general partner, without having any particular  
4 purpose for seeking the information, may inspect and copy  
5 during regular business hours:

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

8                   (2) at a reasonable location specified by the  
9 limited partnership, any other records maintained by the  
10 limited partnership regarding the limited partnership's  
11 activities and financial condition.

12           B. Each general partner and the limited partnership  
13 shall furnish to a general partner:

14                   (1) without demand, any information concerning  
15 the limited partnership's activities and activities reasonably  
16 required for the proper exercise of the general partner's  
17 rights and duties pursuant to the partnership agreement or the  
18 Uniform Revised Limited Partnership Act; and

19                   (2) on demand, any other information  
20 concerning the limited partnership's activities, except to the  
21 extent the demand or the information demanded is unreasonable  
22 or otherwise improper under the circumstances.

23           C. Subject to Subsection E of this section, on ten  
24 days' demand made in a record received by the limited  
25 partnership, a person dissociated as a general partner may have

1 access to the information and records described in Subsection A  
2 of this section at the location specified in Subsection A of  
3 this section if:

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

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

8 (3) the person satisfies the requirements  
9 imposed on a limited partner by Subsection B of Section 304 of  
10 the Uniform Revised Limited Partnership Act.

11 D. The limited partnership shall respond to a  
12 demand made pursuant to Subsection C of this section in the  
13 same manner as provided in Subsection C of Section 304 of the  
14 Uniform Revised Limited Partnership Act.

15 E. If a general partner dies, Section 704 of the  
16 Uniform Revised Limited Partnership Act applies.

17 F. The limited partnership may impose reasonable  
18 restrictions on the use of information pursuant to this  
19 section. In any dispute concerning the reasonableness of a  
20 restriction pursuant to this subsection, the limited  
21 partnership has the burden of proving reasonableness.

22 G. A limited partnership may charge a person  
23 dissociated as a general partner that makes a demand pursuant  
24 to this section reasonable costs of copying, limited to the  
25 costs of labor and material.

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1           H. A general partner or person dissociated as a  
2 general partner may exercise the rights pursuant to this  
3 section through an attorney or other agent. Any restriction  
4 imposed pursuant to Subsection F of this section or by the  
5 partnership agreement applies both to the attorney or other  
6 agent and to the general partner or person dissociated as a  
7 general partner.

8           I. The rights pursuant to this section do not  
9 extend to a person as transferee, but the rights pursuant to  
10 Subsection C of this section of a person dissociated as a  
11 general partner may be exercised by the legal representative of  
12 an individual who dissociated as a general partner pursuant to  
13 Paragraph (2) or (3) of Subsection G of Section 603 of the  
14 Uniform Revised Limited Partnership Act.

15           Section 408. GENERAL STANDARDS OF GENERAL PARTNER'S  
16 CONDUCT.--

17           A. The only fiduciary duties that a general partner  
18 has to the limited partnership and the other partners are the  
19 duties of loyalty and care pursuant to Subsections B and C of  
20 this section.

21           B. A general partner's duty of loyalty to the  
22 limited partnership and the other partners is limited to the  
23 following:

24                   (1) to account to the limited partnership and  
25 hold as trustee for it any property, profit or benefit derived

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1 by the general partner in the conduct and winding up of the  
2 limited partnership's activities or derived from a use by the  
3 general partner of limited partnership property, including the  
4 appropriation of a limited partnership opportunity;

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

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

12 C. A general partner's duty of care to the limited  
13 partnership and the other partners in the conduct and winding  
14 up of the limited partnership's activities is limited to  
15 refraining from engaging in grossly negligent or reckless  
16 conduct, intentional misconduct or a knowing violation of law.

17 D. A general partner shall discharge the duties to  
18 the partnership and the other partners pursuant to the Uniform  
19 Revised Limited Partnership Act or pursuant to the partnership  
20 agreement and exercise any rights consistently with the  
21 obligation of good faith and fair dealing.

22 E. A general partner does not violate a duty or  
23 obligation pursuant to the Uniform Revised Limited Partnership  
24 Act or pursuant to the partnership agreement merely because the  
25 general partner's conduct furthers the general partner's own

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1 interest.

2 ARTICLE 5

3 CONTRIBUTIONS AND DISTRIBUTIONS

4 Section 501. FORM OF CONTRIBUTION.--A contribution of a  
5 partner may consist of tangible or intangible property or other  
6 benefit to the limited partnership, including money, services  
7 performed, promissory notes, other agreements to contribute  
8 cash or property and contracts for services to be performed.

9 Section 502. LIABILITY FOR CONTRIBUTION.--

10 A. A partner's obligation to contribute money or  
11 other property or other benefit to, or to perform services for,  
12 a limited partnership is not excused by the partner's death,  
13 disability or other inability to perform personally.

14 B. If a partner does not make a promised  
15 nonmonetary contribution, the partner is obligated at the  
16 option of the limited partnership to contribute money equal to  
17 that portion of the value, as stated in the required  
18 information, of the stated contribution that has not been made.

19 C. The obligation of a partner to make a  
20 contribution or return money or other property paid or  
21 distributed in violation of the Uniform Revised Limited  
22 Partnership Act may be compromised only by consent of all  
23 partners. A creditor of a limited partnership that extends  
24 credit or otherwise acts in reliance on an obligation described  
25 in Subsection A of this section, without notice of any

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1       compromise pursuant to this subsection, may enforce the  
2       original obligation.

3               Section 503. SHARING OF DISTRIBUTIONS.--A distribution by  
4       a limited partnership must be shared among the partners on the  
5       basis of the value, as stated in the required records when the  
6       limited partnership decides to make the distribution, of the  
7       contributions the limited partnership has received from each  
8       partner.

9               Section 504. INTERIM DISTRIBUTIONS.--A partner does not  
10       have a right to any distribution before the dissolution and  
11       winding up of the limited partnership unless the limited  
12       partnership decides to make an interim distribution.

13               Section 505. NO DISTRIBUTION ON ACCOUNT OF  
14       DISSOCIATION.--A person does not have a right to receive a  
15       distribution on account of dissociation.

16               Section 506. DISTRIBUTION IN KIND.--A partner does not  
17       have a right to demand or receive any distribution from a  
18       limited partnership in any form other than cash. Subject to  
19       Subsection B of Section 812 of the Uniform Revised Limited  
20       Partnership Act, a limited partnership may distribute an asset  
21       in kind to the extent each partner receives a percentage of the  
22       asset equal to the partner's share of distributions.

23               Section 507. RIGHT TO DISTRIBUTION.--When a partner or  
24       transferee becomes entitled to receive a distribution, the  
25       partner or transferee has the status of, and is entitled to all

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1 remedies available to, a creditor of the limited partnership  
2 with respect to the distribution. However, the limited  
3 partnership's obligation to make a distribution is subject to  
4 offset for any amount owed to the limited partnership by the  
5 partner or dissociated partner on whose account the  
6 distribution is made.

7 Section 508. LIMITATIONS ON DISTRIBUTION.--

8 A. A limited partnership may not make a  
9 distribution in violation of the partnership agreement.

10 B. A limited partnership may not make a  
11 distribution if after the distribution:

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

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

23 C. A limited partnership may base a determination  
24 that a distribution is not prohibited pursuant to Subsection B  
25 of this section on financial statements prepared on the basis

1 of accounting practices and principles that are reasonable in  
2 the circumstances or on a fair valuation or other method that  
3 is reasonable in the circumstances.

4 D. Except as otherwise provided in Subsection G of  
5 this section, the effect of a distribution pursuant to  
6 Subsection B of this section is measured:

7 (1) in the case of distribution by purchase,  
8 redemption or other acquisition of a transferable interest in  
9 the limited partnership, as of the date money or other property  
10 is transferred or debt incurred by the limited partnership; and

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

12 (a) the distribution is authorized, if  
13 the payment occurs within one hundred twenty days after that  
14 date; or

15 (b) the payment is made, if payment  
16 occurs more than one hundred twenty days after the distribution  
17 is authorized.

18 E. A limited partnership's indebtedness to a  
19 partner incurred by reason of a distribution made in accordance  
20 with this section is at parity with the limited partnership's  
21 indebtedness to its general, unsecured creditors.

22 F. A limited partnership's indebtedness, including  
23 indebtedness issued in connection with or as part of a  
24 distribution, is not considered a liability for purposes of  
25 Subsection B of this section if the terms of the indebtedness

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1 provide that payment of principal and interest are made only to  
2 the extent that a distribution could then be made to partners  
3 pursuant to this section.

4 G. If indebtedness is issued as a distribution,  
5 each payment of principal or interest on the indebtedness is  
6 treated as a distribution, the effect of which is measured on  
7 the date the payment is made.

8 Section 509. LIABILITY FOR IMPROPER DISTRIBUTIONS.--

9 A. A general partner that consents to a  
10 distribution made in violation of Section 508 of the Uniform  
11 Revised Limited Partnership Act is personally liable to the  
12 limited partnership for the amount of the distribution that  
13 exceeds the amount that could have been distributed without the  
14 violation if it is established that in consenting to the  
15 distribution, the general partner failed to comply with Section  
16 408 of the Uniform Revised Limited Partnership Act.

17 B. A partner or transferee that received a  
18 distribution knowing that the distribution to that partner or  
19 transferee was made in violation of Section 508 of the Uniform  
20 Revised Limited Partnership Act is personally liable to the  
21 limited partnership but only to the extent that the  
22 distribution received by the partner or transferee exceeded the  
23 amount that could have been properly paid pursuant to Section  
24 508 of that act.

25 C. A general partner against which an action is

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1 commenced pursuant to Subsection A of this section may:

2 (1) implead in the action any other person  
3 that is liable pursuant to Subsection A of this section and  
4 compel contribution from the person; and

5 (2) implead in the action any person that  
6 received a distribution in violation of Subsection B of this  
7 section and compel contribution from the person in the amount  
8 the person received in violation of Subsection B of this  
9 section.

10 D. An action pursuant to this section is barred if  
11 it is not commenced within two years after the distribution.

12 ARTICLE 6

13 DISSOCIATION

14 Section 601. DISSOCIATION AS LIMITED PARTNER.--

15 A. A person does not have a right to dissociate as  
16 a limited partner before the termination of the limited  
17 partnership.

18 B. A person is dissociated from a limited  
19 partnership as a limited partner upon the occurrence of any of  
20 the following events:

21 (1) the limited partnership's having notice of  
22 the person's express will to withdraw as a limited partner or  
23 on a later date specified by the person;

24 (2) an event agreed to in the partnership  
25 agreement as causing the person's dissociation as a limited

1 partner;

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

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

6 (a) it is unlawful to carry on the  
7 limited partnership's activities with the person as a limited  
8 partner;

9 (b) there has been a transfer of all of  
10 the person's transferable interest in the limited partnership,  
11 other than a transfer for security purposes, or a court order  
12 charging the person's interest, which has not been foreclosed;

13 (c) the person is a corporation and,  
14 within ninety days after the limited partnership notifies the  
15 person that it will be expelled as a limited partner because it  
16 has filed a certificate of dissolution or the equivalent, its  
17 charter has been revoked, or its right to conduct business has  
18 been suspended by the jurisdiction of its incorporation, there  
19 is no revocation of the certificate of dissolution or no  
20 reinstatement of its charter or its right to conduct business;  
21 or

22 (d) the person is a limited liability  
23 company or partnership that has been dissolved and whose  
24 business is being wound up;

25 (5) on application by the limited partnership,

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1 the person's expulsion as a limited partner by judicial order  
2 because:

3 (a) the person engaged in wrongful  
4 conduct that adversely and materially affected the limited  
5 partnership's activities;

6 (b) the person willfully or persistently  
7 committed a material breach of the partnership agreement or of  
8 the obligation of good faith and fair dealing pursuant to  
9 Subsection B of Section 305 of the Uniform Revised Limited  
10 Partnership Act; or

11 (c) the person engaged in conduct  
12 relating to the limited partnership's activities that makes it  
13 not reasonably practicable to carry on the activities with the  
14 person as limited partner;

15 (6) in the case of a person who is an  
16 individual, the person's death;

17 (7) in the case of a person that is a trust or  
18 is acting as a limited partner by virtue of being a trustee of  
19 a trust, distribution of the trust's entire transferable  
20 interest in the limited partnership, but not merely by reason  
21 of the substitution of a successor trustee;

22 (8) in the case of a person that is an estate  
23 or is acting as a limited partner by virtue of being a personal  
24 representative of an estate, distribution of the estate's  
25 entire transferable interest in the limited partnership, but

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1 not merely by reason of the substitution of a successor  
2 personal representative;

3 (9) termination of a limited partner that is  
4 not an individual, partnership, limited liability company,  
5 corporation, trust or estate; or

6 (10) the limited partnership's participation  
7 in a conversion or merger pursuant to Article 11 of the  
8 Uniform Revised Limited Partnership Act, if the limited  
9 partnership:

10 (a) is not the converted or surviving  
11 entity; or

12 (b) is the converted or surviving entity  
13 but, as a result of the conversion or merger, the person ceases  
14 to be a limited partner.

15 Section 602. EFFECT OF DISSOCIATION AS LIMITED PARTNER.--

16 A. Upon a person's dissociation as a limited  
17 partner:

18 (1) subject to Section 704 of the Uniform  
19 Revised Limited Partnership Act, the person does not have  
20 further rights as a limited partner;

21 (2) the person's obligation of good faith and  
22 fair dealing as a limited partner pursuant to Subsection B of  
23 Section 305 of the Uniform Revised Limited Partnership Act  
24 continues only as to matters arising and events occurring  
25 before the dissociation; and

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1 (3) subject to Section 704 and Article 11 of  
2 the Uniform Revised Limited Partnership Act, any transferable  
3 interest owned by the person in the person's capacity as a  
4 limited partner immediately before dissociation is owned by the  
5 person as a mere transferee.

6 B. A person's dissociation as a limited partner  
7 does not of itself discharge the person from any obligation to  
8 the limited partnership or the other partners that the person  
9 incurred while a limited partner.

10 Section 603. DISSOCIATION AS GENERAL PARTNER.--A person  
11 is dissociated from a limited partnership as a general partner  
12 upon the occurrence of any of the following events:

13 A. the limited partnership's having notice of the  
14 person's express will to withdraw as a general partner or on a  
15 later date specified by the person;

16 B. an event agreed to in the partnership agreement  
17 as causing the person's dissociation as a general partner;

18 C. the person's expulsion as a general partner  
19 pursuant to the partnership agreement;

20 D. the person's expulsion as a general partner by  
21 the unanimous consent of the other partners if:

22 (1) it is unlawful to carry on the limited  
23 partnership's activities with the person as a general partner;

24 (2) there has been a transfer of all or  
25 substantially all of the person's transferable interest in the



1 limited partnership, other than a transfer for security  
2 purposes, or a court order charging the person's interest,  
3 which has not been foreclosed;

4 (3) the person is a corporation and, within  
5 ninety days after the limited partnership notifies the person  
6 that it will be expelled as a general partner because it has  
7 filed a certificate of dissolution or the equivalent, its  
8 charter has been revoked, or its right to conduct business has  
9 been suspended by the jurisdiction of its incorporation, there  
10 is no revocation of the certificate of dissolution or no  
11 reinstatement of its charter or its right to conduct business;  
12 or

13 (4) the person is a limited liability company  
14 or partnership that has been dissolved and whose business is  
15 being wound up;

16 E. on application by the limited partnership, the  
17 person's expulsion as a general partner by judicial  
18 determination because:

19 (1) the person engaged in wrongful conduct  
20 that adversely and materially affected the limited partnership  
21 activities;

22 (2) the person willfully or persistently  
23 committed a material breach of the partnership agreement or of  
24 a duty owed to the partnership or the other partners pursuant  
25 to Section 408 of the Uniform Revised Limited Partnership Act;

1 or

2 (3) the person engaged in conduct relating to  
3 the limited partnership's activities that makes it not  
4 reasonably practicable to carry on the activities of the  
5 limited partnership with the person as a general partner;

6 F. the person's:

7 (1) becoming a debtor in bankruptcy;

8 (2) execution of an assignment for the benefit  
9 of creditors;

10 (3) seeking, consenting to or acquiescing in  
11 the appointment of a trustee, receiver or liquidator of the  
12 person or of all or substantially all of the person's property;  
13 or

14 (4) failure, within ninety days after the  
15 appointment, to have vacated or stayed the appointment of a  
16 trustee, receiver or liquidator of the general partner or of  
17 all or substantially all of the person's property obtained  
18 without the person's consent or acquiescence, or failing within  
19 ninety days after the expiration of a stay to have the  
20 appointment vacated;

21 G. in the case of a person who is an individual:

22 (1) the person's death;

23 (2) the appointment of a guardian or general  
24 conservator for the person; or

25 (3) a judicial determination that the person

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1 has otherwise become incapable of performing the person's  
2 duties as a general partner pursuant to the partnership  
3 agreement;

4 H. in the case of a person that is a trust or is  
5 acting as a general partner by virtue of being a trustee of a  
6 trust, distribution of the trust's entire transferable interest  
7 in the limited partnership, but not merely by reason of the  
8 substitution of a successor trustee;

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

15 J. termination of a general partner that is not an  
16 individual, partnership, limited liability company,  
17 corporation, trust or estate; or

18 K. the limited partnership's participation in a  
19 conversion or merger pursuant to Article 11 of the Uniform  
20 Revised Limited Partnership Act, if the limited partnership:

21 (1) is not the converted or surviving entity;

22 or

23 (2) is the converted or surviving entity but,  
24 as a result of the conversion or merger, the person ceases to  
25 be a general partner.

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1           Section 604. PERSON'S POWER TO DISSOCIATE AS GENERAL  
2 PARTNER--WRONGFUL DISSOCIATION.--

3           A. A person has the power to dissociate as a  
4 general partner at any time, rightfully or wrongfully, by  
5 express will pursuant to Subsection A of Section 603 of the  
6 Uniform Revised Limited Partnership Act.

7           B. A person's dissociation as a general partner is  
8 wrongful only if:

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

11                   (2) it occurs before the termination of the  
12 limited partnership, and:

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

15                           (b) the person is expelled as a general  
16 partner by judicial determination pursuant to Subsection E of  
17 Section 603 of the Uniform Revised Limited Partnership Act;

18                           (c) the person is dissociated as a  
19 general partner by becoming a debtor in bankruptcy; or

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

24           C. A person that wrongfully dissociates as a  
25 general partner is liable to the limited partnership and,

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1 subject to Section 1001 of the Uniform Revised Limited  
2 Partnership Act, to the other partners for damages caused by  
3 the dissociation. The liability is in addition to any other  
4 obligation of the general partner to the limited partnership or  
5 to the other partners.

6 Section 605. EFFECT OF DISSOCIATION AS GENERAL PARTNER.--

7 A. Upon a person's dissociation as a general  
8 partner:

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

12 (2) the person's duty of loyalty as a general  
13 partner pursuant to Paragraph (3) of Subsection B of Section  
14 408 of the Uniform Revised Limited Partnership Act terminates;

15 (3) the person's duty of loyalty as a general  
16 partner pursuant to Paragraphs (1) and (2) of Subsection B of  
17 Section 408 of the Uniform Revised Limited Partnership Act and  
18 duty of care pursuant to Subsection C of Section 408 of the  
19 Uniform Revised Limited Partnership Act continue only with  
20 regard to matters arising and events occurring before the  
21 person's dissociation as a general partner;

22 (4) the person may sign and deliver to the  
23 secretary of state for filing a statement of dissociation  
24 pertaining to the person and, at the request of the limited  
25 partnership, shall sign an amendment to the certificate of

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1 limited partnership that states that the person has  
2 dissociated; and

3 (5) subject to Section 704 and Article 11 of  
4 the Uniform Revised Limited Partnership Act, any transferable  
5 interest owned by the person immediately before dissociation in  
6 the person's capacity as a general partner is owned by the  
7 person as a mere transferee.

8 B. A person's dissociation as a general partner  
9 does not of itself discharge the person from any obligation to  
10 the limited partnership or the other partners that the person  
11 incurred while a general partner.

12 Section 606. POWER TO BIND AND LIABILITY TO LIMITED  
13 PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF PERSON  
14 DISSOCIATED AS GENERAL PARTNER.--

15 A. After a person is dissociated as a general  
16 partner and before the limited partnership is dissolved,  
17 converted pursuant to Article 11 of the Uniform Revised Limited  
18 Partnership Act or merged out of existence pursuant to Article  
19 11 of that act, the limited partnership is bound by an act of  
20 the person only if:

21 (1) the act would have bound the limited  
22 partnership pursuant to Section 402 of the Uniform Revised  
23 Limited Partnership Act before the dissociation; and

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

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1 (a) less than two years has passed since  
2 the dissociation; and

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

6 B. If a limited partnership is bound pursuant to  
7 Subsection A of this section, the person dissociated as a  
8 general partner that caused the limited partnership to be bound  
9 is liable:

10 (1) to the limited partnership for any damage  
11 caused to the limited partnership arising from the obligation  
12 incurred pursuant to Subsection A of this section; and

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

17 Section 607. LIABILITY TO OTHER PERSONS OF PERSON  
18 DISSOCIATED AS GENERAL PARTNER.--

19 A. A person's dissociation as a general partner  
20 does not of itself discharge the person's liability as a  
21 general partner for an obligation of the limited partnership  
22 incurred before dissociation. Except as otherwise provided in  
23 Subsections B and C of this section, the person is not liable  
24 for a limited partnership's obligation incurred after  
25 dissociation.

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1           B. A person whose dissociation as a general partner  
2 resulted in a dissolution and winding up of the limited  
3 partnership's activities is liable to the same extent as a  
4 general partner pursuant to Section 404 of the Uniform Revised  
5 Limited Partnership Act on an obligation incurred by the  
6 limited partnership pursuant to Section 804 of the Uniform  
7 Revised Limited Partnership Act.

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

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

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

17                           (a) less than two years has passed since  
18 the dissociation; and

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

22           D. By agreement with a creditor of a limited  
23 partnership and the limited partnership, a person dissociated  
24 as a general partner may be released from liability for an  
25 obligation of the limited partnership.



1 E. A person dissociated as a general partner is  
2 released from liability for an obligation of the limited  
3 partnership if the limited partnership's creditor, with notice  
4 of the person's dissociation as a general partner but without  
5 the person's consent, agrees to a material alteration in the  
6 nature or time of payment of the obligation.

7 ARTICLE 7

8 TRANSFERABLE INTERESTS AND RIGHTS

9 OF TRANSFEREES AND CREDITORS

10 Section 701. PARTNER'S TRANSFERABLE INTEREST.--The only  
11 interest of a partner that is transferable is the partner's  
12 transferable interest. A transferable interest is personal  
13 property.

14 Section 702. TRANSFER OF PARTNER'S TRANSFERABLE  
15 INTEREST.--

16 A. A transfer, in whole or in part, of a partner's  
17 transferable interest:

18 (1) is permissible;

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

22 (3) does not, as against the other partners or  
23 the limited partnership, entitle the transferee to participate  
24 in the management or conduct of the limited partnership's  
25 activities, to require access to information concerning the

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1 limited partnership's transactions, except as otherwise  
2 provided in Subsection C of this section, or to inspect or copy  
3 the required information or the limited partnership's other  
4 records.

5 B. A transferee has a right to receive, in  
6 accordance with the transfer:

7 (1) distributions to which the transferor  
8 would otherwise be entitled; and

9 (2) upon the dissolution and winding up of the  
10 limited partnership's activities, the net amount otherwise  
11 distributable to the transferor.

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

15 D. Upon transfer, the transferor retains the rights  
16 of a partner other than the interest in distributions  
17 transferred and retains all duties and obligations of a  
18 partner.

19 E. A limited partnership need not give effect to a  
20 transferee's rights pursuant to this section until the limited  
21 partnership has notice of the transfer.

22 F. A transfer of a partner's transferable interest  
23 in the limited partnership in violation of a restriction on  
24 transfer contained in the partnership agreement is ineffective  
25 as to a person having notice of the restriction at the time of

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1 transfer.

2 G. A transferee that becomes a partner with respect  
3 to a transferable interest is liable for the transferor's  
4 obligations pursuant to Sections 502 and 509 of the Uniform  
5 Revised Limited Partnership Act. However, the transferee is  
6 not obligated for liabilities unknown to the transferee at the  
7 time the transferee became a partner.

8 Section 703. RIGHTS OF CREDITOR OF PARTNER OR  
9 TRANSFEREE.--

10 A. On application to a court of competent  
11 jurisdiction by any judgment creditor of a partner or  
12 transferee, the court may charge the transferable interest of  
13 the judgment debtor with payment of the unsatisfied amount of  
14 the judgment with interest. To the extent so charged, the  
15 judgment creditor has only the rights of a transferee. The  
16 court may appoint a receiver of the share of the distributions  
17 due or to become due to the judgment debtor in respect of the  
18 partnership and make all other orders, directions, accounts and  
19 inquiries the judgment debtor might have made or that the  
20 circumstances of the case may require to give effect to the  
21 charging order.

22 B. A charging order constitutes a lien on the  
23 judgment debtor's transferable interest. The court may order a  
24 foreclosure upon the interest subject to the charging order at  
25 any time. The purchaser at the foreclosure sale has the rights

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1 of a transferee.

2 C. At any time before foreclosure, an interest  
3 charged may be redeemed:

4 (1) by the judgment debtor;

5 (2) with property other than limited  
6 partnership property, by one or more of the other partners; or

7 (3) with limited partnership property, by the  
8 limited partnership with the consent of all partners whose  
9 interests are not so charged.

10 D. The Uniform Revised Limited Partnership Act does  
11 not deprive any partner or transferee of the benefit of any  
12 exemption laws applicable to the partner's or transferee's  
13 transferable interest.

14 E. This section provides the exclusive remedy by  
15 which a judgment creditor of a partner or transferee may  
16 satisfy a judgment out of the judgment debtor's transferable  
17 interest.

18 Section 704. POWER OF ESTATE OF DECEASED PARTNER.--If a  
19 partner dies, the deceased partner's personal representative or  
20 other legal representative may exercise the rights of a  
21 transferee as provided in Section 702 of the Uniform Revised  
22 Limited Partnership Act and, for the purposes of settling the  
23 estate, may exercise the rights of a current limited partner  
24 pursuant to Section 304 of the Uniform Revised Limited  
25 Partnership Act.

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ARTICLE 8  
DISSOLUTION

Section 801. NONJUDICIAL DISSOLUTION.--Except as otherwise provided in Section 802 of the Uniform Revised Limited Partnership Act, a limited partnership is dissolved, and its activities must be wound up, only upon the occurrence of any of the following:

- A. the happening of an event specified in the partnership agreement;
- B. the consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective;
- C. after the dissociation of a person as a general partner:
  - (1) if the limited partnership has at least one remaining general partner, the consent to dissolve the limited partnership given within ninety days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the consent is to be effective; or
  - (2) if the limited partnership does not have a remaining general partner, the passage of ninety days after the dissociation, unless before the end of the period:
    - (a) consent to continue the activities

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1 of the limited partnership and admit at least one general  
2 partner is given by limited partners owning a majority of the  
3 rights to receive distributions as limited partners at the time  
4 the consent is to be effective; and

5 (b) at least one person is admitted as a  
6 general partner in accordance with the consent; or

7 D. the passage of ninety days after the  
8 dissociation of the limited partnership's last limited partner,  
9 unless before the end of the period the limited partnership  
10 admits at least one limited partner.

11 Section 802. JUDICIAL DISSOLUTION.--On application by a  
12 partner, the district court may order dissolution of a limited  
13 partnership if it is not reasonably practicable to carry on the  
14 activities of the limited partnership in conformity with the  
15 partnership agreement.

16 Section 803. WINDING UP.--

17 A. A limited partnership continues after  
18 dissolution only for the purpose of winding up its activities.

19 B. In winding up its activities, the limited  
20 partnership:

21 (1) may amend its certificate of limited  
22 partnership to state that the limited partnership is dissolved,  
23 preserve the limited partnership business or property as a  
24 going concern for a reasonable time, prosecute and defend  
25 actions and proceedings, whether civil, criminal or

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1 administrative, transfer the limited partnership's property,  
2 settle disputes by mediation or arbitration, file a statement  
3 of termination as provided in Section 203 of the Uniform  
4 Revised Limited Partnership Act and perform other necessary  
5 acts; and

6 (2) shall discharge the limited partnership's  
7 liabilities, settle and close the limited partnership's  
8 activities and marshal and distribute the assets of the  
9 partnership.

10 C. If a dissolved limited partnership does not have  
11 a general partner, a person to wind up the dissolved limited  
12 partnership's activities may be appointed by the consent of  
13 limited partners owning a majority of the rights to receive  
14 distributions as limited partners at the time the consent is to  
15 be effective. A person appointed pursuant to this subsection:

16 (1) has the powers of a general partner  
17 pursuant to Section 804 of the Uniform Revised Limited  
18 Partnership Act; and

19 (2) shall promptly amend the certificate of  
20 limited partnership to state:

21 (a) that the limited partnership does  
22 not have a general partner;

23 (b) the name of the person that has been  
24 appointed to wind up the limited partnership; and

25 (c) the street and mailing address of

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1 the person.

2 D. On the application of any partner, the district  
3 court may order judicial supervision of the winding up,  
4 including the appointment of a person to wind up the dissolved  
5 limited partnership's activities, if:

6 (1) a limited partnership does not have a  
7 general partner and within a reasonable time following the  
8 dissolution no person has been appointed pursuant to Subsection  
9 C of this section; or

10 (2) the applicant establishes other good  
11 cause.

12 Section 804. POWER OF GENERAL PARTNER AND PERSON  
13 DISSOCIATED AS GENERAL PARTNER TO BIND PARTNERSHIP AFTER  
14 DISSOLUTION.--

15 A. A limited partnership is bound by a general  
16 partner's act after dissolution that:

17 (1) is appropriate for winding up the limited  
18 partnership's activities; or

19 (2) would have bound the limited partnership  
20 pursuant to Section 402 of the Uniform Revised Limited  
21 Partnership Act before dissolution, if, at the time the other  
22 party enters into the transaction, the other party does not  
23 have notice of the dissolution.

24 B. A person dissociated as a general partner binds  
25 a limited partnership through an act occurring after



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1 dissolution if:

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

4 (a) less than two years has passed since  
5 the dissociation; and

6 (b) the other party does not have notice  
7 of the dissociation and reasonably believes that the person is  
8 a general partner; and

9 (2) the act:

10 (a) is appropriate for winding up the  
11 limited partnership's activities; or

12 (b) would have bound the limited  
13 partnership pursuant to Section 402 of the Uniform Revised  
14 Limited Partnership Act before dissolution and at the time the  
15 other party enters into the transaction the other party does  
16 not have notice of the dissolution.

17 Section 805. LIABILITY AFTER DISSOLUTION OF GENERAL  
18 PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER TO LIMITED  
19 PARTNERSHIP, OTHER GENERAL PARTNERS AND PERSONS DISSOCIATED AS  
20 GENERAL PARTNER.--

21 A. If a general partner having knowledge of the  
22 dissolution causes a limited partnership to incur an obligation  
23 pursuant to Subsection A of Section 804 of the Uniform Revised  
24 Limited Partnership Act by an act that is not appropriate for  
25 winding up the partnership's activities, the general partner is

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1     liable:

2                     (1) to the limited partnership for any damage  
3     caused to the limited partnership arising from the obligation;  
4     and

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

10                    B. If a person dissociated as a general partner  
11     causes a limited partnership to incur an obligation pursuant to  
12     Subsection B of Section 804 of the Uniform Revised Limited  
13     Partnership Act, the person is liable:

14                    (1) to the limited partnership for any damage  
15     caused to the limited partnership arising from the obligation;  
16     and

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

21                    Section 806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED  
22     PARTNERSHIP.--

23                    A. A dissolved limited partnership may dispose of  
24     the known claims against it by following the procedure  
25     described in Subsection B of this section.

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1           B. A dissolved limited partnership may notify its  
2 known claimants of the dissolution in a record. The notice  
3 must:

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

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

8                   (3) state the deadline for receipt of the  
9 claim, which may not be less than one hundred twenty days after  
10 the date the notice is received by the claimant;

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

13                   (5) unless the limited partnership has been  
14 throughout its existence a limited liability limited  
15 partnership, state that the barring of a claim against the  
16 limited partnership will also bar any corresponding claim  
17 against any general partner or person dissociated as a general  
18 partner that is based on Section 404 of the Uniform Revised  
19 Limited Partnership Act.

20           C. A claim against a dissolved limited partnership  
21 is barred if the requirements of Subsection B of this section  
22 are met and:

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

25                   (2) in the case of a claim that is timely

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1 received but rejected by the dissolved limited partnership, the  
2 claimant does not commence an action to enforce the claim  
3 against the limited partnership within ninety days after the  
4 receipt of the notice of the rejection.

5 D. This section does not apply to a claim based on  
6 an event occurring after the effective date of dissolution or a  
7 liability that is contingent on that date.

8 Section 807. OTHER CLAIMS AGAINST DISSOLVED LIMITED  
9 PARTNERSHIP.--

10 A. A dissolved limited partnership may publish  
11 notice of its dissolution and request persons having claims  
12 against the limited partnership to present them in accordance  
13 with the notice.

14 B. The notice must:

15 (1) be published at least once in a newspaper  
16 of general circulation in the county in which the dissolved  
17 limited partnership's principal office is located or, if it has  
18 none in this state, in the county in which the limited  
19 partnership's designated office is or was last located;

20 (2) describe the information required to be  
21 contained in a claim and provide a mailing address to which the  
22 claim is to be sent;

23 (3) state that a claim against the limited  
24 partnership is barred unless an action to enforce the claim is  
25 commenced within five years after publication of the notice;

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1 and

2 (4) unless the limited partnership has been  
3 throughout its existence a limited liability limited  
4 partnership, state that the barring of a claim against the  
5 limited partnership will also bar any corresponding claim  
6 against any general partner or person dissociated as a general  
7 partner that is based on Section 404 of the Uniform Revised  
8 Limited Partnership Act.

9 C. If a dissolved limited partnership publishes a  
10 notice in accordance with Subsection B of this section, the  
11 claim of each of the following claimants is barred unless the  
12 claimant commences an action to enforce the claim against the  
13 dissolved limited partnership within five years after the  
14 publication date of the notice:

15 (1) a claimant that did not receive notice in  
16 a record pursuant to Section 806 of the Uniform Revised Limited  
17 Partnership Act;

18 (2) a claimant whose claim was timely sent to  
19 the dissolved limited partnership but not acted on; and

20 (3) a claimant whose claim is contingent or  
21 based on an event occurring after the effective date of  
22 dissolution.

23 D. A claim not barred pursuant to this section may  
24 be enforced:

25 (1) against the dissolved limited partnership,

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1 to the extent of its undistributed assets;

2 (2) if the assets have been distributed in  
3 liquidation, against a partner or transferee to the extent of  
4 that person's proportionate share of the claim or the limited  
5 partnership's assets distributed to the partner or transferee  
6 in liquidation, whichever is less, but a person's total  
7 liability for all claims pursuant to this paragraph does not  
8 exceed the total amount of assets distributed to the person as  
9 part of the winding up of the dissolved limited partnership; or

10 (3) against any person liable on the claim  
11 pursuant to Section 404 of the Uniform Revised Limited  
12 Partnership Act.

13 Section 808. LIABILITY OF GENERAL PARTNER AND PERSON  
14 DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED  
15 PARTNERSHIP BARRED.--If a claim against a dissolved limited  
16 partnership is barred pursuant to Section 806 or 807 of the  
17 Uniform Revised Limited Partnership Act, any corresponding  
18 claim pursuant to Section 404 of the Uniform Revised Limited  
19 Partnership Act is also barred.

20 Section 809. DISPOSITION OF ASSETS--WHEN CONTRIBUTIONS  
21 REQUIRED.--

22 A. In winding up a limited partnership's  
23 activities, the assets of the limited partnership, including  
24 the contributions required by this section, must be applied to  
25 satisfy the limited partnership's obligations to creditors,

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1 including, to the extent permitted by law, partners that are  
2 creditors.

3 B. Any surplus remaining after the limited  
4 partnership complies with Subsection A of this section must be  
5 paid in cash as a distribution.

6 C. If a limited partnership's assets are  
7 insufficient to satisfy all of its obligations pursuant to  
8 Subsection A of this section, with respect to each unsatisfied  
9 obligation incurred when the limited partnership was not a  
10 limited liability limited partnership, the following rules  
11 apply:

12 (1) each person that was a general partner  
13 when the obligation was incurred and that has not been released  
14 from the obligation pursuant to Section 607 of the Uniform  
15 Revised Limited Partnership Act shall contribute to the limited  
16 partnership for the purpose of enabling the limited partnership  
17 to satisfy the obligation. The contribution due from each of  
18 those persons is in proportion to the right to receive  
19 distributions in the capacity of general partner in effect for  
20 each of those persons when the obligation was incurred;

21 (2) if a person does not contribute the full  
22 amount required pursuant to Paragraph (1) of this subsection  
23 with respect to an unsatisfied obligation of the limited  
24 partnership, the other persons required to contribute by  
25 Paragraph (1) of this subsection on account of the obligation

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1 shall contribute the additional amount necessary to discharge  
2 the obligation. The additional contribution due from each of  
3 those other persons is in proportion to the right to receive  
4 distributions in the capacity of general partner in effect for  
5 each of those other persons when the obligation was incurred;  
6 and

7 (3) if a person does not make the additional  
8 contribution required by Paragraph (2) of this subsection,  
9 further additional contributions are determined and due in the  
10 same manner as provided in that paragraph.

11 D. A person that makes an additional contribution  
12 pursuant to Paragraph (2) or (3) of Subsection C of this  
13 section may recover from any person whose failure to contribute  
14 pursuant to Paragraph (1) or (2) of Subsection C of this  
15 section necessitated the additional contribution. A person may  
16 not recover pursuant to this subsection more than the amount  
17 additionally contributed. A person's liability pursuant to  
18 this subsection may not exceed the amount the person failed to  
19 contribute.

20 E. The estate of a deceased individual is liable  
21 for the person's obligations pursuant to this section.

22 F. An assignee for the benefit of creditors of a  
23 limited partnership or a partner, or a person appointed by a  
24 court to represent creditors of a limited partnership or a  
25 partner, may enforce a person's obligation to contribute



1 pursuant to Subsection C of this section.

2 ARTICLE 9

3 FOREIGN LIMITED PARTNERSHIPS

4 Section 901. GOVERNING LAW.--

5 A. The laws of the state or other jurisdiction  
6 under which a foreign limited partnership is organized govern  
7 relations between the partners of the foreign limited  
8 partnership and between the partners and the foreign limited  
9 partnership and the liability of partners as partners for an  
10 obligation of the foreign limited partnership.

11 B. A foreign limited partnership may not be denied  
12 a certificate of authority by reason of any difference between  
13 the laws of the jurisdiction under which the foreign limited  
14 partnership is organized and the laws of this state.

15 C. A certificate of authority does not authorize a  
16 foreign limited partnership to engage in any business or  
17 exercise any power that a limited partnership may not engage in  
18 or exercise in this state.

19 Section 902. APPLICATION FOR CERTIFICATE OF AUTHORITY.--

20 A. A foreign limited partnership may apply for a  
21 certificate of authority to transact business in this state by  
22 delivering an application to the secretary of state for filing.  
23 The application must state:

24 (1) the name of the foreign limited  
25 partnership and, if the name does not comply with Section 108

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1 of the Uniform Revised Limited Partnership Act, an alternate  
2 name adopted pursuant to Subsection A of Section 905 of the  
3 Uniform Revised Limited Partnership Act;

4 (2) the name of the state or other  
5 jurisdiction under whose law the foreign limited partnership is  
6 organized;

7 (3) any identification number issued to the  
8 foreign limited partnership by the foreign official; "foreign  
9 official" means the secretary of state or other official having  
10 custody of the foreign limited partnership's publicly filed  
11 records in the state or other jurisdiction under whose law the  
12 foreign limited partnership is organized;

13 (4) the street and mailing address of the  
14 foreign limited partnership's principal office and, if the laws  
15 of the jurisdiction under which the foreign limited partnership  
16 is organized require the foreign limited partnership to  
17 maintain an office in that jurisdiction, the street and mailing  
18 address of the required office;

19 (5) the name and street and mailing address of  
20 the foreign limited partnership's initial agent for service of  
21 process in this state;

22 (6) the name and street and mailing address of  
23 each of the foreign limited partnership's general partners; and

24 (7) whether the foreign limited partnership is  
25 a foreign limited liability limited partnership.

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1           B. A foreign limited partnership shall deliver with  
2 the completed application:

3                   (1) a certificate of existence or a record of  
4 similar import signed by the foreign official; and

5                   (2) if the foreign official is located outside  
6 of the United States of America, a certified copy of the  
7 limited partnership certificate or a record of similar import  
8 showing that it was filed with the foreign official.

9           C. A certificate or a certified copy described in  
10 Subsection B of this section is a part of the application for  
11 all purposes. It shall be revised or corrected as required by  
12 Section 906 of the Uniform Revised Limited Partnership Act. If  
13 it does not use the English language and Arabic numbers, it  
14 shall be accompanied by a certified translation. A  
15 certification or a certification of a copy or a translation  
16 shall be dated within thirty days of its presentation to the  
17 secretary of state for filing. A certificate shall state the  
18 information listed in Subsection A of Section 209 of the  
19 Uniform Revised Limited Partnership Act or information of  
20 similar import.

21           Section 903. ACTIVITIES NOT CONSTITUTING TRANSACTING  
22 BUSINESS.--

23           A. Activities of a foreign limited partnership that  
24 do not constitute transacting business in this state within the  
25 meaning of Article 9 of the Uniform Revised Limited Partnership  
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1 Act include:

2 (1) maintaining, defending and settling an  
3 action or proceeding;

4 (2) holding meetings of its partners or  
5 carrying on any other activity concerning its internal affairs;

6 (3) maintaining accounts in financial  
7 institutions;

8 (4) maintaining offices or agencies for the  
9 transfer, exchange and registration of the foreign limited  
10 partnership's own securities or maintaining trustees or  
11 depositories with respect to those securities;

12 (5) selling through independent contractors;

13 (6) soliciting or obtaining orders, whether by  
14 mail or electronic means or through employees or agents or  
15 otherwise, if the orders require acceptance outside this state  
16 before they become contracts;

17 (7) creating as borrower or lender or  
18 acquiring indebtedness, with or without mortgages or security  
19 interests in real or personal property;

20 (8) securing or collecting debts or  
21 foreclosing mortgages or other security interests in property  
22 securing the debts and holding, protecting and maintaining  
23 property so acquired;

24 (9) investing in or acquiring, in transactions  
25 outside New Mexico, royalties and other nonoperating mineral

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1 interests; and executing division orders, contracts of sale and  
2 other instruments incidental to the ownership of such  
3 nonoperating mineral interests;

4 (10) owning or controlling an interest in a  
5 corporation or other entity that transacts business in this  
6 state or is organized under the laws of this state;

7 (11) being a partner in a partnership,  
8 including a limited partnership, a limited liability  
9 partnership or a limited liability limited partnership, that  
10 transacts business in this state or is organized under the laws  
11 of this state;

12 (12) being a member or a manager of a limited  
13 liability company that transacts business in this state or is  
14 organized under the laws of this state;

15 (13) conducting an isolated transaction that  
16 is completed within thirty days and is not one in the course of  
17 similar transactions of a like manner; and

18 (14) transacting business in interstate  
19 commerce.

20 B. For purposes of Article 9 of the Uniform Revised  
21 Limited Partnership Act, the ownership in this state of  
22 income-producing real property or tangible personal property,  
23 other than property excluded pursuant to Subsection A of this  
24 section, constitutes transacting business in this state.

25 C. This section does not apply in determining the

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1 contacts or activities that may subject a foreign limited  
2 partnership to service of process, taxation or regulation  
3 pursuant to any other law of this state.

4 Section 904. FILING OF CERTIFICATE OF AUTHORITY.--Unless  
5 the secretary of state determines that an application for a  
6 certificate of authority or a revised application for a  
7 certificate of authority does not comply with the filing  
8 requirements of the Uniform Revised Limited Partnership Act,  
9 the secretary of state, upon payment of all filing fees, shall  
10 file the application, prepare, sign and file a certificate of  
11 authority to transact business in this state or restated  
12 certificate of authority in the case of a revised application,  
13 and send a copy of the filed certificate, together with a  
14 receipt for the fees, to the foreign limited partnership or its  
15 representative.

16 Section 905. NONCOMPLYING NAME OF FOREIGN LIMITED  
17 PARTNERSHIP.--

18 A. A foreign limited partnership whose name does  
19 not comply with Section 108 of the Uniform Revised Limited  
20 Partnership Act may not obtain a certificate of authority until  
21 it adopts, for the purpose of transacting business in this  
22 state, an alternate name that complies with Section 108 of that  
23 act. After obtaining a certificate of authority with an  
24 alternate name, a foreign limited partnership shall transact  
25 business in this state under the name.

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1           B. If a foreign limited partnership authorized to  
2 transact business in this state changes its name to one that  
3 does not comply with Section 108 of the Uniform Revised Limited  
4 Partnership Act, it may not thereafter transact business in  
5 this state until it complies with Subsection A of this section  
6 and obtains an amended certificate of authority.

7           Section 906. CHANGES OR ERRORS IN APPLICATION FOR  
8 CERTIFICATE OF AUTHORITY.--

9           A. A foreign limited partnership shall deliver to  
10 the secretary of state for filing:

11                   (1) a revised application for a certificate of  
12 authority to reflect any change in the information contained in  
13 an application for certificate of authority; or

14                   (2) a statement of correction pursuant to  
15 Section 207 of the Uniform Revised Limited Partnership Act for  
16 the correction of any information that was false or incorrect  
17 or of any defective signature on the application. The revised  
18 application for a certificate of authority or statement of  
19 correction shall be delivered to the secretary of state  
20 promptly after the foreign limited partnership has notice of  
21 the change, the false or incorrect information or the defective  
22 signature.

23           B. The revised application for certificate of  
24 authority shall state:

25                   (1) the name of the foreign limited

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1 partnership;

2 (2) the date of filing of its initial  
3 application for a certificate;

4 (3) any identification number assigned by the  
5 secretary of state to the foreign limited partnership or the  
6 initial application, or both; and

7 (4) the information required in Section 902 of  
8 the Uniform Revised Limited Partnership Act for an application  
9 for a certificate of authority.

10 C. A general partner that knows that any  
11 information in a filed application for certificate of authority  
12 was false when filed or has become false due to changed  
13 circumstances shall promptly:

14 (1) cause a revised application to be filed;  
15 or

16 (2) if appropriate, deliver to the secretary  
17 of state for filing a statement of correction pursuant to  
18 Section 207 of the Uniform Revised Limited Partnership Act.

19 Section 907. CANCELLATION OF CERTIFICATE OF AUTHORITY--  
20 EFFECT OF FAILURE TO HAVE CERTIFICATE.--

21 A. In order to cancel its certificate of authority  
22 to transact business in this state, a foreign limited  
23 partnership must deliver to the secretary of state for filing a  
24 notice of cancellation. The certificate is canceled when the  
25 notice becomes effective pursuant to Section 206 of the

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1 Uniform Revised Limited Partnership Act.

2 B. A foreign limited partnership transacting  
3 business in this state may not maintain an action or proceeding  
4 in this state unless it has a certificate of authority to  
5 transact business in this state.

6 C. The failure of a foreign limited partnership to  
7 have a certificate of authority to transact business in this  
8 state does not impair the validity of a contract or act of the  
9 foreign limited partnership or prevent the foreign limited  
10 partnership from defending an action or proceeding in this  
11 state.

12 D. A partner of a foreign limited partnership is  
13 not liable for the obligations of the foreign limited  
14 partnership solely by reason of the foreign limited  
15 partnership's having transacted business in this state without  
16 a certificate of authority.

17 E. If a foreign limited partnership transacts  
18 business in this state without a certificate of authority,  
19 cancels its certificate of authority or fails to appoint and  
20 maintain an agent for service of process as required by  
21 Subsection B of Section 114 of the Uniform Revised Limited  
22 Partnership Act, it appoints the secretary of state as its  
23 agent for service of process for rights of action arising out  
24 of the transaction of business in this state.

25 Section 908. ACTION BY ATTORNEY GENERAL.--The attorney

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1 general may maintain an action to restrain a foreign limited  
2 partnership from transacting business in this state in  
3 violation of Article 9 of the Uniform Revised Limited  
4 Partnership Act.

5 ARTICLE 10

6 ACTIONS BY PARTNERS

7 Section 1001. DIRECT ACTION BY PARTNER.--

8 A. Subject to Subsection B of this section, a  
9 partner may maintain a direct action against the limited  
10 partnership or another partner for legal or equitable relief,  
11 with or without an accounting as to the partnership's  
12 activities, to enforce the rights and otherwise protect the  
13 interests of the partner, including rights and interests  
14 pursuant to the partnership agreement or the Uniform Revised  
15 Limited Partnership Act, or arising independently of the  
16 partnership relationship.

17 B. A partner commencing a direct action pursuant to  
18 this section is required to plead and prove an actual or  
19 threatened injury that is not solely the result of an injury  
20 suffered or threatened to be suffered by the limited  
21 partnership.

22 C. The accrual of, and any time limitation on, a  
23 right of action for a remedy pursuant to this section is  
24 governed by other law. A right to an accounting upon a  
25 dissolution and winding up does not revive a claim barred by

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1 law.

2 Section 1002. DERIVATIVE ACTION.--A partner may maintain  
3 a derivative action to enforce a right of a limited partnership  
4 if:

5 A. the partner first makes a demand on the general  
6 partners, requesting that they cause the limited partnership to  
7 bring an action to enforce the right, and the general partners  
8 do not bring the action within a reasonable time; or

9 B. a demand would be futile.

10 Section 1003. PROPER PLAINTIFF.--A derivative action may  
11 be maintained only by a person that is a partner at the time  
12 the action is commenced and:

13 A. that was a partner when the conduct giving rise  
14 to the action occurred; or

15 B. whose status as a partner devolved upon the  
16 person by operation of law or pursuant to the terms of the  
17 partnership agreement from a person that was a partner at the  
18 time of the conduct.

19 Section 1004. PLEADING.--In a derivative action, the  
20 complaint must state with particularity:

21 A. the date and content of plaintiff's demand and  
22 the general partners' response to the demand; or

23 B. why demand should be excused as futile.

24 Section 1005. PROCEEDS AND EXPENSES.--

25 A. Except as otherwise provided in Subsection B of

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1 this section:

2 (1) any proceeds or other benefits of a  
3 derivative action, whether by judgment, compromise or  
4 settlement, belong to the limited partnership and not to the  
5 derivative plaintiff; and

6 (2) if the derivative plaintiff receives any  
7 proceeds, the derivative plaintiff shall immediately remit them  
8 to the limited partnership.

9 B. If a derivative action is successful in whole or  
10 in part, the court may award the plaintiff reasonable expenses,  
11 including reasonable attorney fees, from the recovery of the  
12 limited partnership.

13 ARTICLE 11

14 CONVERSION AND MERGER

15 Section 1101. DEFINITIONS.--As used in Article 11 of the  
16 Uniform Revised Limited Partnership Act:

17 A. "constituent limited partnership" means a  
18 constituent organization that is a limited partnership;

19 B. "constituent organization" means an organization  
20 that is party to a merger;

21 C. "converted organization" means the organization  
22 into which a converting organization converts pursuant to  
23 Sections 1102 through 1105 of the Uniform Revised Limited  
24 Partnership Act;

25 D. "converting limited partnership" means a

1 converting organization that is a limited partnership;

2 E. "converting organization" means an organization  
3 that converts into another organization pursuant to Section  
4 1102 of the Uniform Revised Limited Partnership Act;

5 F. "general partner" means a general partner of a  
6 limited partnership;

7 G. "governing statute" of an organization means the  
8 statute that governs the organization's internal affairs;

9 H. "organization" means a general partnership,  
10 including a limited liability partnership; limited partnership,  
11 including a limited liability limited partnership; limited  
12 liability company; business trust; corporation; or any other  
13 person having a governing statute. The term includes domestic  
14 and foreign organizations whether or not organized for profit;

15 I. "organizational documents" means:

16 (1) for a domestic or foreign general  
17 partnership, its partnership agreement;

18 (2) for a limited partnership or foreign  
19 limited partnership, its certificate of limited partnership and  
20 partnership agreement;

21 (3) for a domestic or foreign limited  
22 liability company, its articles of organization and operating  
23 agreement, or comparable records as provided in its governing  
24 statute;

25 (4) for a business trust, its agreement of

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1 trust and declaration of trust;

2 (5) for a domestic or foreign corporation for  
3 profit, its articles of incorporation, bylaws and other  
4 agreements among its shareholders that are authorized by its  
5 governing statute, or comparable records as provided in its  
6 governing statute; and

7 (6) for any other organization, the basic  
8 records that create the organization and determine its internal  
9 governance and the relations between the persons that own it,  
10 have an interest in it or are members of it;

11 J. "personal liability" means personal liability  
12 for a debt, liability or other obligation of an organization  
13 that is imposed on a person that co-owns, has an interest in or  
14 is a member of the organization:

15 (1) by the organization's governing statute  
16 solely by reason of the person co-owning, having an interest  
17 in, or being a member of the organization; or

18 (2) by the organization's organizational  
19 documents pursuant to a provision of the organization's  
20 governing statute authorizing those documents to make one or  
21 more specified persons liable for all or specified debts,  
22 liabilities and other obligations of the organization solely by  
23 reason of the person or persons co-owning, having an interest  
24 in or being a member of the organization; and

25 K. "surviving organization" means an organization

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1 into which one or more other organizations are merged. A  
2 surviving organization may preexist the merger or be created by  
3 the merger.

4 Section 1102. CONVERSION.--

5 A. An organization other than a limited partnership  
6 may convert to a limited partnership, and a limited partnership  
7 may convert to another organization pursuant to this section  
8 and Sections 1103 through 1105 of the Uniform Revised Limited  
9 Partnership Act and a plan of conversion, if:

10 (1) the other organization's governing statute  
11 authorizes the conversion;

12 (2) the conversion is not prohibited by the  
13 law of the jurisdiction that enacted the governing statute; and

14 (3) the other organization complies with its  
15 governing statute in effecting the conversion.

16 B. A plan of conversion must be in a record and  
17 must include:

18 (1) the name and form of the organization  
19 before conversion;

20 (2) the name and form of the organization  
21 after conversion;

22 (3) the terms and conditions of the  
23 conversion, including the manner and basis for converting  
24 interests in the converting organization into any combination  
25 of money, interests in the converted organization and other

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1 consideration; and

2 (4) the organizational documents of the  
3 converted organization.

4 Section 1103. ACTION ON PLAN OF CONVERSION BY CONVERTING  
5 LIMITED PARTNERSHIP.--

6 A. Subject to Section 1110 of the Uniform Revised  
7 Limited Partnership Act, a plan of conversion must be consented  
8 to by all the partners of a converting limited partnership.

9 B. Subject to Section 1110 of the Uniform Revised  
10 Limited Partnership Act and any contractual rights, after a  
11 conversion is approved, and at any time before a filing is made  
12 pursuant to Section 1104 of the Uniform Revised Limited  
13 Partnership Act, a converting limited partnership may amend the  
14 plan or abandon the planned conversion:

15 (1) as provided in the plan; and

16 (2) except as prohibited by the plan, by the  
17 same consent as was required to approve the plan.

18 Section 1104. FILINGS REQUIRED FOR CONVERSION--EFFECTIVE  
19 DATE.--

20 A. After a plan of conversion is approved:

21 (1) a converting limited partnership shall  
22 deliver to the secretary of state for filing articles of  
23 conversion, which must include:

24 (a) a statement that the limited  
25 partnership has been converted into another organization;

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1 (b) the name and form of the  
2 organization and the jurisdiction of its governing statute;

3 (c) the date the conversion is effective  
4 pursuant to the governing statute of the converted  
5 organization;

6 (d) a statement that the conversion was  
7 approved as required by the Uniform Revised Limited Partnership  
8 Act;

9 (e) a statement that the conversion was  
10 approved as required by the governing statute of the converted  
11 organization; and

12 (f) if the converted organization is a  
13 foreign organization not authorized to transact business in  
14 this state, the street and mailing address of an office that  
15 the secretary of state may use for the purposes of Subsection C  
16 of Section 1105 of the Uniform Revised Limited Partnership Act;  
17 and

18 (2) if the converting organization is not a  
19 converting limited partnership, the converting organization  
20 shall deliver to the secretary of state for filing a  
21 certificate of limited partnership, which must include, in  
22 addition to the information required by Section 201 of the  
23 Uniform Revised Limited Partnership Act:

24 (a) a statement that the limited  
25 partnership was converted from another organization;

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1 (b) the name and form of the  
2 organization and the jurisdiction of its governing statute; and

3 (c) a statement that the conversion was  
4 approved in a manner that complied with the organization's  
5 governing statute.

6 B. A conversion becomes effective:

7 (1) if the converted organization is a limited  
8 partnership, when the certificate of limited partnership takes  
9 effect; and

10 (2) if the converted organization is not a  
11 limited partnership, as provided by the governing statute of  
12 the converted organization.

13 Section 1105. EFFECT OF CONVERSION.--

14 A. An organization that has been converted pursuant  
15 to Article 11 of the Uniform Revised Limited Partnership Act is  
16 for all purposes the same entity that existed before the  
17 conversion.

18 B. When a conversion takes effect:

19 (1) all property owned by the converting  
20 organization remains vested in the converted organization;

21 (2) all debts, liabilities and other  
22 obligations of the converting organization continue as  
23 obligations of the converted organization;

24 (3) an action or proceeding pending by or  
25 against the converting organization may be continued as if the

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1 conversion had not occurred;

2 (4) except as prohibited by other law, all of  
3 the rights, privileges, immunities, powers and purposes of the  
4 converting organization remain vested in the converted  
5 organization;

6 (5) except as otherwise provided in the plan  
7 of conversion, the terms and conditions of the plan of  
8 conversion take effect; and

9 (6) except as otherwise agreed, the conversion  
10 does not dissolve a converting limited partnership for the  
11 purposes of Article 8 of the Uniform Revised Limited  
12 Partnership Act.

13 C. A converted organization that is a foreign  
14 organization consents to the jurisdiction of the courts of this  
15 state to enforce any obligation owed by the converting limited  
16 partnership, if before the conversion the converting limited  
17 partnership was subject to suit in this state on the  
18 obligation. A converted organization that is a foreign  
19 organization and not authorized to transact business in this  
20 state appoints the secretary of state as its agent for service  
21 of process for purposes of enforcing an obligation pursuant to  
22 this subsection. Service on the secretary of state pursuant to  
23 this subsection is made in the same manner and with the same  
24 consequences as in Subsections C and D of Section 117 of the  
25 Uniform Revised Limited Partnership Act.

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1           Section 1106. MERGER.--

2           A. A limited partnership may merge with one or more  
3 other constituent organizations pursuant to this section and  
4 Sections 1107 through 1109 of the Uniform Revised Limited  
5 Partnership Act and a plan of merger, if:

6                   (1) the governing statute of each of the other  
7 organizations authorizes the merger;

8                   (2) the merger is not prohibited by the law of  
9 a jurisdiction that enacted any of those governing statutes;  
10 and

11                   (3) each of the other organizations complies  
12 with its governing statute in effecting the merger.

13           B. A plan of merger must be in a record and must  
14 include:

15                   (1) the name and form of each constituent  
16 organization;

17                   (2) the name and form of the surviving  
18 organization and, if the surviving organization is to be  
19 created by the merger, a statement to that effect;

20                   (3) the terms and conditions of the merger,  
21 including the manner and basis for converting the interests in  
22 each constituent organization into any combination of money,  
23 interests in the surviving organization and other  
24 consideration;

25                   (4) if the surviving organization is to be

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1 created by the merger, the surviving organization's  
2 organizational documents; and

3 (5) if the surviving organization is not to be  
4 created by the merger, any amendments to be made by the merger  
5 to the surviving organization's organizational documents.

6 Section 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT  
7 LIMITED PARTNERSHIP.--

8 A. Subject to Section 1110 of the Uniform Revised  
9 Limited Partnership Act, a plan of merger must be consented to  
10 by all the partners of a constituent limited partnership.

11 B. Subject to Section 1110 of the Uniform Revised  
12 Limited Partnership Act and any contractual rights, after a  
13 merger is approved, and at any time before a filing is made  
14 pursuant to Section 1108 of the Uniform Revised Limited  
15 Partnership Act, a constituent limited partnership may amend  
16 the plan or abandon the planned merger:

17 (1) as provided in the plan; and

18 (2) except as prohibited by the plan, with the  
19 same consent as was required to approve the plan.

20 Section 1108. FILINGS REQUIRED FOR MERGER--EFFECTIVE  
21 DATE.--

22 A. After each constituent organization has approved  
23 a merger, articles of merger must be signed on behalf of:

24 (1) each preexisting constituent limited  
25 partnership, by each general partner listed in the certificate

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1 of limited partnership; and

2 (2) each other preexisting constituent  
3 organization, by an authorized representative.

4 B. The articles of merger must include:

5 (1) the name and form of each constituent  
6 organization and the jurisdiction of its governing statute;

7 (2) the name and form of the surviving  
8 organization, the jurisdiction of its governing statute and, if  
9 the surviving organization is created by the merger, a  
10 statement to that effect;

11 (3) the date the merger is effective pursuant  
12 to the governing statute of the surviving organization;

13 (4) if the surviving organization is to be  
14 created by the merger:

15 (a) if it will be a limited partnership,  
16 the limited partnership's certificate of limited partnership;  
17 or

18 (b) if it will be an organization other  
19 than a limited partnership, the organizational document that  
20 creates the organization;

21 (5) if the surviving organization preexists  
22 the merger, any amendments provided for in the plan of merger  
23 for the organizational document that created the organization;

24 (6) a statement as to each constituent  
25 organization that the merger was approved as required by the

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1 organization's governing statute;

2 (7) if the surviving organization is a foreign  
3 organization not authorized to transact business in this state,  
4 the street and mailing address of an office that the secretary  
5 of state may use for the purposes of Subsection B of Section  
6 1109 of the Uniform Revised Limited Partnership Act; and

7 (8) any additional information required by the  
8 governing statute of any constituent organization.

9 C. Each constituent limited partnership shall  
10 deliver the articles of merger for filing in the office of the  
11 secretary of state.

12 D. A merger becomes effective pursuant to this  
13 article:

14 (1) if the surviving organization is a limited  
15 partnership, upon the later of:

16 (a) compliance with Subsection C of this  
17 section; or

18 (b) subject to Subsection C of Section  
19 206 of the Uniform Revised Limited Partnership Act, as  
20 specified in the articles of merger; or

21 (2) if the surviving organization is not a  
22 limited partnership, as provided by the governing statute of  
23 the surviving organization.

24 Section 1109. EFFECT OF MERGER.--

25 A. When a merger becomes effective:

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1 (1) the surviving organization continues or  
2 comes into existence;

3 (2) each constituent organization that merges  
4 into the surviving organization ceases to exist as a separate  
5 entity;

6 (3) all property owned by each constituent  
7 organization that ceases to exist vests in the surviving  
8 organization;

9 (4) all debts, liabilities and other  
10 obligations of each constituent organization that ceases to  
11 exist continue as obligations of the surviving organization;

12 (5) an action or proceeding pending by or  
13 against any constituent organization that ceases to exist may  
14 be continued as if the merger had not occurred;

15 (6) except as prohibited by other law, all of  
16 the rights, privileges, immunities, powers and purposes of each  
17 constituent organization that ceases to exist vest in the  
18 surviving organization;

19 (7) except as otherwise provided in the plan  
20 of merger, the terms and conditions of the plan of merger take  
21 effect;

22 (8) except as otherwise agreed, if a  
23 constituent limited partnership ceases to exist, the merger  
24 does not dissolve the limited partnership for the purposes of  
25 Article 8 of the Uniform Revised Limited Partnership Act;

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1 (9) if the surviving organization is created  
2 by the merger:

3 (a) if it is a limited partnership, the  
4 certificate of limited partnership becomes effective; or

5 (b) if it is an organization other than  
6 a limited partnership, the organizational document that creates  
7 the organization becomes effective; and

8 (10) if the surviving organization preexists  
9 the merger, any amendments provided for in the articles of  
10 merger for the organizational document that created the  
11 organization become effective.

12 B. A surviving organization that is a foreign  
13 organization consents to the jurisdiction of the courts of this  
14 state to enforce any obligation owed by a constituent  
15 organization, if before the merger the constituent organization  
16 was subject to suit in this state on the obligation. A  
17 surviving organization that is a foreign organization and not  
18 authorized to transact business in this state appoints the  
19 secretary of state as its agent for service of process for the  
20 purposes of enforcing an obligation pursuant to this  
21 subsection. Service on the secretary of state pursuant to this  
22 subsection is made in the same manner and with the same  
23 consequences as in Subsections C and D of Section 117 of the  
24 Uniform Revised Limited Partnership Act.

25 Section 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND

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1 MERGERS.--

2 A. If a partner of a converting or constituent  
3 limited partnership will have personal liability with respect  
4 to a converted or surviving organization, approval and  
5 amendment of a plan of conversion or merger are ineffective  
6 without the consent of the partner, unless:

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

10 (2) the partner has consented to the provision  
11 of the partnership agreement.

12 B. A partner does not give the consent required by  
13 Subsection A of this section merely by consenting to a  
14 provision of the partnership agreement that permits the  
15 partnership agreement to be amended with the consent of fewer  
16 than all the partners.

17 Section 1111. LIABILITY OF GENERAL PARTNER AFTER  
18 CONVERSION OR MERGER.--

19 A. A conversion or merger pursuant to Article 11 of  
20 the Uniform Revised Limited Partnership Act does not discharge  
21 any liability, pursuant to Sections 404 and 607 of that act, of  
22 a person that was a general partner in or dissociated as a  
23 general partner from a converting or constituent limited  
24 partnership, but:

25 (1) the provisions of the Uniform Revised

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1 Limited Partnership Act pertaining to the collection or  
2 discharge of the liability continue to apply to the liability;

3 (2) for the purposes of applying those  
4 provisions, the converted or surviving organization is deemed  
5 to be the converting or constituent limited partnership; and

6 (3) if a person is required to pay any amount  
7 pursuant to this subsection:

8 (a) the person has a right of  
9 contribution from each other person that was liable as a  
10 general partner pursuant to Section 404 of the Uniform Revised  
11 Limited Partnership Act when the obligation was incurred and  
12 has not been released from the obligation pursuant to Section  
13 607 of that act; and

14 (b) the contribution due from each of  
15 those persons is in proportion to the right to receive  
16 distributions in the capacity of general partner in effect for  
17 each of those persons when the obligation was incurred.

18 B. In addition to any other liability provided by  
19 law:

20 (1) a person that immediately before a  
21 conversion or merger became effective was a general partner in  
22 a converting or constituent limited partnership that was not a  
23 limited liability limited partnership is personally liable for  
24 each obligation of the converted or surviving organization  
25 arising from a transaction with a third party after the

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1 conversion or merger becomes effective, if, at the time the  
2 third party enters into the transaction, the third party:

3 (a) does not have notice of the  
4 conversion or merger; and

5 (b) reasonably believes that: 1) the  
6 converted or surviving business is the converting or  
7 constituent limited partnership; 2) the converting or  
8 constituent limited partnership is not a limited liability  
9 limited partnership; and 3) the person is a general partner in  
10 the converting or constituent limited partnership; and

11 (2) a person that was dissociated as a general  
12 partner from a converting or constituent limited partnership  
13 before the conversion or merger became effective is personally  
14 liable for each obligation of the converted or surviving  
15 organization arising from a transaction with a third party  
16 after the conversion or merger becomes effective, if:

17 (a) immediately before the conversion or  
18 merger became effective the converting or surviving limited  
19 partnership was not a limited liability limited partnership;  
20 and

21 (b) at the time the third party enters  
22 into the transaction less than two years have passed since the  
23 person dissociated as a general partner and the third party:

24 1) does not have notice of the dissociation; 2) does not have  
25 notice of the conversion or merger; and 3) reasonably believes

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1 that the converted or surviving organization is the converting  
2 or constituent limited partnership, the converting or  
3 constituent limited partnership is not a limited liability  
4 limited partnership and the person is a general partner in the  
5 converting or constituent limited partnership.

6 Section 1112. POWER OF GENERAL PARTNERS AND PERSONS  
7 DISSOCIATED AS GENERAL PARTNERS TO BIND ORGANIZATION AFTER  
8 CONVERSION OR MERGER.--

9 A. An act of a person that immediately before a  
10 conversion or merger became effective was a general partner in  
11 a converting or constituent limited partnership binds the  
12 converted or surviving organization after the conversion or  
13 merger becomes effective, if:

14 (1) before the conversion or merger became  
15 effective, the act would have bound the converting or  
16 constituent limited partnership pursuant to Section 402 of the  
17 Uniform Revised Limited Partnership Act; and

18 (2) at the time the third party enters into  
19 the transaction, the third party:

20 (a) does not have notice of the  
21 conversion or merger; and

22 (b) reasonably believes that the  
23 converted or surviving business is the converting or  
24 constituent limited partnership and that the person is a  
25 general partner in the converting or constituent limited

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1 partnership.

2 B. An act of a person that before a conversion or  
3 merger became effective was dissociated as a general partner  
4 from a converting or constituent limited partnership binds the  
5 converted or surviving organization after the conversion or  
6 merger becomes effective, if:

7 (1) before the conversion or merger became  
8 effective, the act would have bound the converting or  
9 constituent limited partnership pursuant to Section 402 of the  
10 Uniform Revised Limited Partnership Act if the person had been  
11 a general partner; and

12 (2) at the time the third party enters into  
13 the transaction, less than two years have passed since the  
14 person dissociated as a general partner and the third party:

15 (a) does not have notice of the  
16 dissociation;

17 (b) does not have notice of the  
18 conversion or merger; and

19 (c) reasonably believes that the  
20 converted or surviving organization is the converting or  
21 constituent limited partnership and that the person is a  
22 general partner in the converting or constituent limited  
23 partnership.

24 C. If a person having knowledge of the conversion  
25 or merger causes a converted or surviving organization to incur

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1 an obligation pursuant to Subsection A or B of this section,  
2 the person is liable:

3 (1) to the converted or surviving organization  
4 for any damage caused to the organization arising from the  
5 obligation; and

6 (2) if another person is liable for the  
7 obligation, to that other person for any damage caused to that  
8 other person arising from the liability.

9 Section 1113. ARTICLE NOT EXCLUSIVE.--Article 11 of the  
10 Uniform Revised Limited Partnership Act does not preclude an  
11 entity from being converted or merged pursuant to other law.

12 ARTICLE 12

13 MISCELLANEOUS PROVISIONS

14 Section 1201. UNIFORMITY OF APPLICATION AND  
15 CONSTRUCTION.--In applying and construing the Uniform Revised  
16 Limited Partnership Act, consideration must be given to the  
17 need to promote uniformity of the law with respect to its  
18 subject matter among states that enact it.

19 Section 1202. SEVERABILITY.--If any provision of the  
20 Uniform Revised Limited Partnership Act or its application to  
21 any person or circumstance is held invalid, the invalidity does  
22 not affect other provisions or applications of that act that  
23 can be given effect without the invalid provision or  
24 application, and to this end the provisions of that act are  
25 severable.

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1           Section 1203. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL  
2 AND NATIONAL COMMERCE ACT.--The Uniform Revised Limited  
3 Partnership Act modifies, limits or supersedes the federal  
4 Electronic Signatures in Global and National Commerce Act, 15  
5 U.S.C. Section 7001 et seq., but the Uniform Revised Limited  
6 Partnership Act does not modify, limit or supersede Section  
7 101(c) of the federal Electronic Signatures in Global and  
8 National Commerce Act or authorize electronic delivery of any  
9 of the notices described in Section 103(b) of the federal  
10 Electronic Signatures in Global and National Commerce Act.

11           Section 1204. SAVING CLAUSE.--The Uniform Revised Limited  
12 Partnership Act does not affect an action commenced, proceeding  
13 brought or right accrued before January 1, 2007.

14           Section 1205. REPEAL.--Effective January 1, 2008,  
15 Sections 54-2-1 through 54-2-63 NMSA 1978 (being Laws 1988,  
16 Chapter 90, Sections 1 through 48, Laws 1979, Chapter 85,  
17 Sections 1 through 8 and Laws 1988, Chapter 90, Sections 57  
18 through 63, as amended) are repealed.

19           Section 1206. APPLICATION TO EXISTING RELATIONSHIPS.--

20           A. The Uniform Revised Limited Partnership Act  
21 governs only:

22                   (1) a limited partnership formed on or after  
23 January 1, 2007; and

24                   (2) except as otherwise provided in  
25 Subsections B and C of this section, a limited partnership

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1 formed before January 1, 2007 that elects, in the manner  
2 provided in its partnership agreement or by law for amending  
3 the partnership agreement, to be subject to the Uniform Revised  
4 Limited Partnership Act, and that presents to the secretary of  
5 state for filing a restatement of its certificate of limited  
6 partnership stating:

7 (a) that it elects to be subject to that  
8 act; and

9 (b) the information required by Section  
10 201 of the Uniform Revised Limited Partnership Act.

11 B. With respect to a limited partnership formed  
12 before January 1, 2007 that elects pursuant to Paragraph (2) of  
13 Subsection A of this section to be subject to the Uniform  
14 Revised Limited Partnership Act, the following rules apply  
15 except as the partners otherwise elect in the manner provided  
16 in the partnership agreement or by law for amending the  
17 partnership agreement:

18 (1) Subsection C of Section 104 of the  
19 Uniform Revised Limited Partnership Act does not apply and the  
20 limited partnership has whatever duration it had pursuant to  
21 the law applicable immediately before January 1, 2007;

22 (2) Sections 601 and 602 of the Uniform  
23 Revised Limited Partnership Act do not apply and a limited  
24 partner has the same right and power to dissociate from the  
25 limited partnership, with the same consequences, as existed

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1 immediately before January 1, 2007;

2 (3) Subsection D of Section 603 of the  
3 Uniform Revised Limited Partnership Act does not apply;

4 (4) Subsection E of Section 603 of the  
5 Uniform Revised Limited Partnership Act does not apply and a  
6 court has the same power to expel a general partner as the  
7 court had immediately before January 1, 2007; and

8 (5) Subsection C of Section 801 of the  
9 Uniform Revised Limited Partnership Act does not apply and the  
10 connection between a person's dissociation as a general partner  
11 and the dissolution of the limited partnership is the same as  
12 existed immediately before January 1, 2007.

13 C. With respect to a limited partnership that  
14 elects pursuant to Paragraph (2) of Subsection A of this  
15 section to be subject to the Uniform Revised Limited  
16 Partnership Act, after the election takes effect the provisions  
17 of the Uniform Revised Limited Partnership Act relating to the  
18 liability of the limited partnership's general partners to  
19 third parties apply:

20 (1) before January 1, 2008, to:

21 (a) a third party that had not done  
22 business with the limited partnership in the year before the  
23 election took effect; and

24 (b) a third party that had done business  
25 with the limited partnership in the year before the election

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1 took effect only if the third party knows or has received a  
2 notification of the election; and

3 (2) on and after January 1, 2008, to all third  
4 parties, but those provisions remain inapplicable to any  
5 obligation incurred while those provisions were inapplicable  
6 pursuant to Subparagraph (b) of Paragraph (1) of this  
7 subsection.

8 D. Until a limited partnership formed before  
9 January 1, 2007 elects voluntarily to be governed by the  
10 Uniform Revised Limited Partnership Act, the limited  
11 partnership shall continue to be governed by the provisions of  
12 the prior Uniform Limited Partnership Act as if it had not been  
13 repealed.

14 E. After January 1, 2007, the Uniform Revised  
15 Limited Partnership Act governs a foreign limited partnership  
16 formed at any time.

17 Section 1207. EFFECTIVE DATE.--The effective date of the  
18 provisions of this act is January 1, 2007.