

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;

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

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

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

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

D. "designated office" means:

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

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

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

F. "foreign limited liability limited partnership" means a foreign limited partnership whose general partners have limited liability for the obligations of the foreign limited partnership pursuant to a provision similar to Subsection C of Section 404 of the Uniform Revised Limited Partnership Act;

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

H. "general partner" means:

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

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

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

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

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

J. "limited partner" means:

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

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

(b) was a limited partner in a limited

partnership when the limited partnership became subject to the Uniform Revised Limited Partnership Act pursuant to Subsection A of Section 1206 of the Uniform Revised Limited Partnership Act; and

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

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

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

M. "partnership agreement" means the partners' agreement, whether oral, implied or in a record or in any combination, concerning the limited partnership. The term includes the agreement as amended;

N. "person" means an individual, corporation, business trust, estate, trust, partnership, limited liability

company, association, joint venture, government, governmental subdivision, agency or instrumentality, public corporation or any other legal or commercial entity;

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

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

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

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

S. "sign" means:

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

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

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

jurisdiction of the United States;

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

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

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

Section 103. KNOWLEDGE AND NOTICE.--

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

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

(1) knows of it;

(2) has received a notification of it;

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

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

C. A certificate of limited partnership on file in the office of the secretary of state is notice that the partnership is a limited partnership. A certificate of limited partnership stating the information required by Section 201 of the Uniform Revised Limited Partnership Act on file in the office of the secretary of state is notice that

the partnership is a limited liability limited partnership, except as otherwise provided in Section 1206 of that act. Any certificate of limited partnership is notice that the persons designated in the certificate as general partners are general partners. Except as otherwise provided in Subsection D of this section, the certificate is not notice of any other fact.

D. A person has notice of:

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

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

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

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

(5) a merger pursuant to Article 11 of the

Uniform Revised Limited Partnership Act, ninety days after the effective date of the articles of merger.

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

F. A person receives a notification when the notification:

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

G. Except as otherwise provided in Subsection H of this section, a person other than an individual knows, has notice or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the person knows, has notice or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines.

the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

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

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

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

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

C. A limited partnership has a perpetual duration.

Section 105. POWERS.--A limited partnership has the powers to do all things necessary or convenient to carry on its activities, including the power to sue, be sued and defend in its own name and to maintain an action against a partner

for harm caused to the limited partnership by a breach of the partnership agreement or violation of a duty to the partnership.

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

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

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

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

Section 108. NAME.--

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

B. The name of a limited partnership that is not a limited liability limited partnership shall contain the phrase "limited partnership" or the abbreviation "L.P." or "LP" and shall not contain the phrase "limited liability limited partnership" or the abbreviation "LLLLP" or "L.L.L.P.".

C. The name of a limited liability limited partnership shall contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P." and shall not contain the abbreviation "L.P." or "LP".

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

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

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

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

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

(1) the present user, registrant or owner of the conflicting name consents in a signed record to the use and submits an undertaking in a form satisfactory to the secretary of state to change the conflicting name to a name that complies with Subsection D of this section and is

distinguishable in the records of the secretary of state from the name applied for;

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

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

(a) has merged into the applicant;

(b) has been converted into the applicant; or

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

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

Section 109. RESERVATION OF NAME.--

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

(1) a person intending to organize a limited

partnership pursuant to that act and to adopt the name;

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

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

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

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

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

B. A person may apply to reserve a name pursuant to Subsection A of this section by delivering to the secretary of state for filing an application that states the name to be reserved and the paragraph of Subsection A of this section that applies. If the secretary of state finds that the name

is available for use by the applicant, the secretary of state shall file a statement of name reservation and thereby reserve the name for the exclusive use of the applicant for one hundred twenty days.

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

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

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

A. Except as otherwise provided in Subsection B of this section, the partnership agreement governs relations between the partners and between the partners and the partnership. To the extent the partnership agreement does not

otherwise provide, the Uniform Revised Limited Partnership Act governs relations between the partners and between the partners and the partnership.

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

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

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

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

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

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

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

(11) unreasonably restrict the right to maintain an action pursuant to Article 10 of the Uniform Revised Limited Partnership Act;

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) for any person that is both a general partner and a limited partner, a specification of what

transferable interest the person owns in each capacity; and

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

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

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

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

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

(1) an office, which need not be a place of

its activity in this state; and

(2) an agent for service of process.

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

C. An agent for service of process of a limited partnership or foreign limited partnership must be an individual who is a resident of this state or other person authorized to do business in this state.

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

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

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

B. After receiving a statement of resignation, the secretary of state shall file it and mail a copy to the

designated office of the limited partnership or foreign limited partnership and mail another copy to the principal office if the address of the office appears in the records of the secretary of state and is different from the address of the designated office.

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

Section 117. SERVICE OF PROCESS.--

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

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

C. Service of any process, notice or demand on the secretary of state may be made by delivering to and leaving with the secretary of state duplicate copies of the process,

notice or demand and the fee required by Section 210 of the Uniform Revised Limited Partnership Act. If a process, notice or demand is served on the secretary of state, the secretary of state shall forward one of the copies by registered or certified mail, return receipt requested, to the limited partnership or foreign limited partnership at its designated office.

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

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

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

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

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

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

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

Section 119. LIMITED PARTNERSHIP SUBJECT TO AMENDMENT OR REPEAL OF THE UNIFORM REVISED LIMITED PARTNERSHIP ACT.--A limited partnership governed by the Uniform Revised Limited Partnership Act is subject to any amendment to or repeal of that act.

ARTICLE 2

FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP AND OTHER FILINGS

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

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

(1) the name of the limited partnership, which must comply with Subsections A, B, C, D, E and F of Section 108 of the Uniform Revised Limited Partnership Act;

(2) the street and mailing address of the

initial designated office and the name and street and mailing address of the initial agent for service of process;

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

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

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

B. A certificate of limited partnership may also contain any other matters but may not vary or otherwise affect the provisions specified in Subsection B of Section 110 of the Uniform Revised Limited Partnership Act in a manner inconsistent with that section.

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

D. Subject to Subsection B of this section, if any provision of a partnership agreement is inconsistent with the

filed certificate of limited partnership or with a filed statement of dissociation, termination or filed articles of conversion or merger:

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

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

Section 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE.--

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

(1) the name of the limited partnership;

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

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

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

B. A limited partnership shall promptly deliver to

the secretary of state for filing an amendment to a certificate of limited partnership to reflect:

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

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

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

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

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

(1) cause the certificate to be amended; or

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

D. A certificate of limited partnership may be amended at any time for any other proper purpose as determined

by the limited partnership.

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

F. Subject to Subsection C of Section 206 of the Uniform Revised Limited Partnership Act, an amendment or restated certificate is effective when filed by the secretary of state.

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

A. the name of the limited partnership;

B. the date of filing of its initial certificate of limited partnership; and

C. any other information as determined by the general partners filing the statement or by a person appointed pursuant to Subsection C or D of Section 803 of the Uniform Revised Limited Partnership Act.

Section 204. SIGNING OF RECORDS.--

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

(1) an initial certificate of limited partnership shall be signed by all general partners listed in

the certificate;

(2) an amendment designating as general partner a person admitted pursuant to Paragraph (2) of Subsection C of Section 801 of the Uniform Revised Limited Partnership Act following the dissociation of a limited partnership's last general partner shall be signed by that person;

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

(4) any other amendment shall be signed by:

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

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

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

(5) a restated certificate of limited partnership shall be signed by at least one general partner

listed in the certificate, and, to the extent the restated certificate effects a change pursuant to any other paragraph of this subsection, the certificate shall be signed in a manner that satisfies that paragraph;

(6) a statement of termination shall be signed by all general partners listed in the certificate or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to Subsection C or D of Section 803 of the Uniform Revised Limited Partnership Act to wind up the dissolved limited partnership's activities;

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

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

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

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

person;

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

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

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

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

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

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

(1) the person to sign the record;
(2) delivery of the record to the secretary of state for filing; or

(3) the secretary of state to file the

record unsigned.

B. If the person aggrieved pursuant to Subsection A of this section is not the limited partnership or foreign limited partnership to which the record pertains, the aggrieved person shall make the limited partnership or foreign limited partnership a party to the action. A person aggrieved pursuant to Subsection A of this section may seek the remedies provided in Subsection A of this section in the same action in combination or in the alternative.

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

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

A. Duplicate originals of a record authorized or required to be delivered to the secretary of state for filing pursuant to the Uniform Revised Limited Partnership Act must:

- (1) be captioned to describe the record's purpose;
- (2) be in a medium permitted by the secretary of state;
- (3) use the English language, except for proper names, which must use letters of the English alphabet, and Arabic numbers;
- (4) state any identification number issued by the secretary of state to the limited partnership to which

the record refers, to any filed record to which the record refers, or both;

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

(6) be delivered to the secretary of state.

B. Unless the secretary of state determines that a record does not comply with the filing requirements of the Uniform Revised Limited Partnership Act, and if all filing fees have been paid, the secretary of state shall endorse on each duplicate original the word "filed" and the day, month and year of filing, file one duplicate original of the record and:

(1) for a statement of dissociation, send:

(a) a duplicate original of the filed statement and a receipt for the fees to the person that the statement indicates has dissociated as a general partner; and

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

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

(a) a duplicate original of the filed statement and a receipt for the fees to the person on whose

behalf the record was filed; and

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

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

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

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

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

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

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

(a) the specified date; or

(b) the ninetieth day after the record is filed; or

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

(a) the specified date; or

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

Section 207. CORRECTING FILED RECORD.--

A. A limited partnership or foreign limited partnership shall deliver to the secretary of state for filing a statement of correction to correct a record previously delivered by the limited partnership or foreign limited partnership to the secretary of state and filed by the secretary of state, if at the time of filing the record contained false or erroneous information or was defectively signed. The statement of correction shall be delivered to the secretary of state for filing promptly after the limited partnership or foreign limited partnership has notice that the information in the filed record was false or erroneous at the time it was filed or that the filed record was defectively

signed.

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

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

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

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

(4) correct the incorrect information or defective signature.

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

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

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

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

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

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

(2) a general partner that has notice that the information was false when the record was filed or has become false because of changed circumstances, if the general partner has notice for a reasonably sufficient time before the information is relied upon to enable the general partner to effect an amendment pursuant to Section 202 of the Uniform Revised Limited Partnership Act, file a petition pursuant to Section 205 of that act or deliver to the secretary of state for filing a statement of correction pursuant to Section 207 of that act or a revised application for a certificate of authority to transact business in this state pursuant to Section 906 of that act.

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

AUTHORIZATION.--

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

- (1) the limited partnership's name;
- (2) that it was duly formed pursuant to the laws of this state and the date of formation;
- (3) any identification number assigned by the secretary of state to the limited partnership;
- (4) whether all fees and penalties due to the secretary of state pursuant to the Uniform Revised Limited Partnership Act or other law have been paid;
- (5) whether the secretary of state has administratively dissolved the limited partnership;
- (6) whether the limited partnership's certificate of limited partnership has been amended to state that the limited partnership is dissolved;
- (7) that a statement of termination has not been filed by the secretary of state; and
- (8) other facts of record in the office of the secretary of state, which may be requested by the

applicant.

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

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

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

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

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

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

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

applicant.

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

Section 210. SECRETARY OF STATE FEES.--

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

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

(2) filing an application for a certificate of authority by a foreign limited partnership, articles of conversion or articles of merger, a fee of one hundred dollars (\$100);

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

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

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

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

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

(1) an expedited service;

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

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

ARTICLE 3

LIMITED PARTNERS

Section 301. BECOMING LIMITED PARTNER.--A person becomes a limited partner:

A. as provided in the partnership agreement;

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

C. with the consent of all the partners.

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

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

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

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

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

(1) the limited partner seeks the

information for a purpose reasonably related to the partner's interest as a limited partner;

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

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

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

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

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

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

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

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

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

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

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

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

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

H. A limited partnership may charge a person that makes a demand pursuant to this section reasonable costs of copying, limited to the costs of labor and material.

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

J. A limited partner or person dissociated as a

limited partner may exercise the rights pursuant to this section through an attorney or other agent. Any restriction imposed pursuant to Subsection G of this section or by the partnership agreement applies both to the attorney or other agent and to the limited partner or person dissociated as a limited partner.

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

Section 305. LIMITED DUTIES OF LIMITED PARTNERS.--

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

B. A limited partner shall discharge the duties to the partnership and the other partners pursuant to the Uniform Revised Limited Partnership Act or pursuant to the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

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

Section 306. PERSON ERRONEOUSLY BELIEVING SELF TO BE

LIMITED PARTNER.--

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

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

(2) withdraws from future participation as an owner in the enterprise by signing and delivering to the secretary of state for filing a statement of withdrawal pursuant to this section.

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

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

ARTICLE 4

GENERAL PARTNERS

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

- A. as provided in the partnership agreement;
- B. pursuant to Paragraph (2) of Subsection C of Section 801 of the Uniform Revised Limited Partnership Act following the dissociation of a limited partnership's last general partner;
- C. as the result of a conversion or merger pursuant to Article 11 of the Uniform Revised Limited Partnership Act; or
- D. with the consent of all the partners.

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

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

B. An act of a general partner that is not apparently for carrying on in the ordinary course the limited partnership's activities or activities of the kind carried on by the limited partnership binds the limited partnership only if the act was actually authorized by all the other partners.

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

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

limited partnership.

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

Section 404. GENERAL PARTNER'S LIABILITY.--

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

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

C. An obligation of a limited partnership incurred while the limited partnership is a limited liability limited partnership, whether arising in contract, tort or otherwise is solely the obligation of the limited partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or acting as a general partner. This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the

consent required to become a limited liability limited partnership pursuant to Paragraph (2) of Subsection B of Section 406 of the Uniform Revised Limited Partnership Act.

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

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

B. A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership shall not be satisfied from a general partner's assets unless there is also a judgment against the general partner.

C. A judgment creditor of a general partner shall not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim pursuant to Section 404 of the Uniform Revised Limited Partnership Act and:

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

(2) the limited partnership is a debtor in

bankruptcy;

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

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

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

Section 406. MANAGEMENT RIGHTS OF GENERAL PARTNER.--

A. Each general partner has equal rights in the management and conduct of the limited partnership's activities. Except as expressly provided in the Uniform Revised Limited Partnership Act, any matter relating to the activities of the limited partnership may be exclusively decided by the general partner or, if there is more than one general partner, by a majority of the general partners.

B. The consent of each partner is necessary to:

- (1) amend the partnership agreement; and
- (2) sell, lease, exchange or otherwise

dispose of all, or substantially all, of the limited partnership's property, with or without the goodwill, other than in the usual and regular course of the limited partnership's activities.

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

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

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

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

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

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

(1) in the limited partnership's designated

office, required information; and

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

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

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

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

C. Subject to Subsection E of this section, on ten days' demand made in a record received by the limited partnership, a person dissociated as a general partner may have access to the information and records described in Subsection A of this section at the location specified in Subsection A of this section if:

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

(2) the person seeks the information or

record in good faith; and

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

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

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

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

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

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

general partner.

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

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

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

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

(1) to account to the limited partnership and hold as trustee for it any property, profit or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity;

(2) to refrain from dealing with the limited

partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership; and

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

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

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

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

ARTICLE 5

CONTRIBUTIONS AND DISTRIBUTIONS

Section 501. FORM OF CONTRIBUTION.--A contribution of a partner may consist of tangible or intangible property or

other benefit to the limited partnership, including money, services performed, promissory notes, other agreements to contribute cash or property and contracts for services to be performed.

Section 502. LIABILITY FOR CONTRIBUTION.--

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

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

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

Section 503. SHARING OF DISTRIBUTIONS.--A distribution

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

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

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

Section 506. DISTRIBUTION IN KIND.--A partner does not have a right to demand or receive any distribution from a limited partnership in any form other than cash. Subject to Subsection B of Section 809 of the Uniform Revised Limited Partnership Act, a limited partnership may distribute an asset in kind to the extent each partner receives a percentage of the asset equal to the partner's share of distributions.

Section 507. RIGHT TO DISTRIBUTION.--When a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution. However, the limited partnership's obligation to make a distribution is

subject to offset for any amount owed to the limited partnership by the partner or dissociated partner on whose account the distribution is made.

Section 508. LIMITATIONS ON DISTRIBUTION.--

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

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

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

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

C. A limited partnership may base a determination that a distribution is not prohibited pursuant to Subsection B of this section on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

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

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

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

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

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

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

F. A limited partnership's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of Subsection B of this section if the terms of the indebtedness provide that payment of principal and interest are made only

to the extent that a distribution could then be made to partners pursuant to this section.

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

Section 509. LIABILITY FOR IMPROPER DISTRIBUTIONS.--

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

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

C. A general partner against which an action is commenced pursuant to Subsection A of this section may:

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

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

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

ARTICLE 6

DISSOCIATION

Section 601. DISSOCIATION AS LIMITED PARTNER.--

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

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

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

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

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

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

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

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

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

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

(5) on application by the limited partnership, the person's expulsion as a limited partner by

judicial order because:

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

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

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

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

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

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

successor personal representative;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

or

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

F. the person's:

(1) becoming a debtor in bankruptcy;

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

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

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

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

(1) the person's death;

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

(3) a judicial determination that the person

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) the person may sign and deliver to the

secretary of state for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership that states that the person has dissociated; and

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

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

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

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

(1) the act would have bound the limited partnership pursuant to Section 402 of the Uniform Revised

Limited Partnership Act before the dissociation; and

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

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

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

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

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

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

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

A. A person's dissociation as a general partner does not of itself discharge the person's liability as a

general partner for an obligation of the limited partnership incurred before dissociation. Except as otherwise provided in Subsections B and C of this section, the person is not liable for a limited partnership's obligation incurred after dissociation.

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

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

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

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

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

(b) the other party does not have notice of the dissociation and reasonably believes that the

person is a general partner.

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

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

ARTICLE 7

TRANSFERABLE INTERESTS AND RIGHTS

OF TRANSFEREES AND CREDITORS

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

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

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

(1) is permissible;

(2) does not by itself cause the partner's

dissociation or a dissolution and winding up of the limited

partnership's activities; and

(3) does not, as against the other partners or the limited partnership, entitle the transferee to participate in the management or conduct of the limited partnership's activities, to require access to information concerning the limited partnership's transactions, except as otherwise provided in Subsection C of this section, or to inspect or copy the required information or the limited partnership's other records.

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

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

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

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

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

E. A limited partnership need not give effect to a transferee's rights pursuant to this section until the limited

partnership has notice of the transfer.

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

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

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

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

charging order.

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

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

(1) by the judgment debtor;

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

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

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

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

Section 704. POWER OF ESTATE OF DECEASED PARTNER.--If a partner dies, the deceased partner's personal representative or other legal representative may exercise the rights of a

transferee as provided in Section 702 of the Uniform Revised Limited Partnership Act and, for the purposes of settling the estate, may exercise the rights of a current limited partner pursuant to Section 304 of the Uniform Revised Limited Partnership Act.

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

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

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

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

Section 803. WINDING UP.--

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

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

(1) may amend its certificate of limited partnership to state that the limited partnership is dissolved, preserve the limited partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal or administrative, transfer the limited partnership's property, settle disputes by mediation or arbitration, file a statement of termination as provided in Section 203 of the Uniform Revised Limited Partnership Act and perform other necessary acts; and

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

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

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

(2) shall promptly amend the certificate of

limited partnership to state:

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

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

(c) the street and mailing address of the person.

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

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

(2) the applicant establishes other good cause.

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

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

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

(2) would have bound the limited partnership

pursuant to Section 402 of the Uniform Revised Limited Partnership Act before dissolution, if, at the time the other party enters into the transaction, the other party does not have notice of the dissolution.

B. A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if:

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

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

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

(2) the act:

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

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

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

GENERAL PARTNER.--

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

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

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

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

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

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

to the general partner or other person arising from the liability.

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

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

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

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

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

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

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

(5) unless the limited partnership has been throughout its existence a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner that is based on Section 404 of the Uniform Revised

Limited Partnership Act.

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

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

(2) in the case of a claim that is timely received but rejected by the dissolved limited partnership, the claimant does not commence an action to enforce the claim against the limited partnership within ninety days after the receipt of the notice of the rejection.

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

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

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

B. The notice shall:

(1) be published at least once in a newspaper of general circulation in the county in which the dissolved limited partnership's principal office is located or, if it has none in this state, in the county in which the

limited partnership's designated office is or was last located;

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

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

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

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

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

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

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

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

(1) against the dissolved limited partnership, to the extent of its undistributed assets;

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

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

Section 808. LIABILITY OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED PARTNERSHIP BARRED.--If a claim against a dissolved limited partnership is barred pursuant to Section 806 or 807 of the

Uniform Revised Limited Partnership Act, any corresponding claim pursuant to Section 404 of the Uniform Revised Limited Partnership Act is also barred.

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

A. In winding up a limited partnership's activities, the assets of the limited partnership, including the contributions required by this section, shall be applied to satisfy the limited partnership's obligations to creditors, including, to the extent permitted by law, partners that are creditors.

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

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

(1) each person that was a general partner when the obligation was incurred and that has not been released from the obligation pursuant to Section 607 of the Uniform Revised Limited Partnership Act shall contribute to the limited partnership for the purpose of enabling the

limited partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred;

(2) if a person does not contribute the full amount required pursuant to Paragraph (1) of this subsection with respect to an unsatisfied obligation of the limited partnership, the other persons required to contribute by Paragraph (1) of this subsection on account of the obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those other persons when the obligation was incurred; and

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

D. A person that makes an additional contribution pursuant to Paragraph (2) or (3) of Subsection C of this section may recover from any person whose failure to contribute pursuant to Paragraph (1) or (2) of Subsection C of this section necessitated the additional contribution. A

person shall not recover pursuant to this subsection more than the amount additionally contributed. A person's liability pursuant to this subsection shall not exceed the amount the person failed to contribute.

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

F. An assignee for the benefit of creditors of a limited partnership or a partner, or a person appointed by a court to represent creditors of a limited partnership or a partner, may enforce a person's obligation to contribute pursuant to Subsection C of this section.

ARTICLE 9

FOREIGN LIMITED PARTNERSHIPS

Section 901. GOVERNING LAW.--

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

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

C. A certificate of authority does not authorize a

foreign limited partnership to engage in any business or exercise any power that a limited partnership may not engage in or exercise in this state.

Section 902. APPLICATION FOR CERTIFICATE OF AUTHORITY.--

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

(1) the name of the foreign limited partnership and, if the name does not comply with Section 108 of the Uniform Revised Limited Partnership Act, an alternate name adopted pursuant to Subsection A of Section 905 of the Uniform Revised Limited Partnership Act;

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

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

(4) the street and mailing address of the foreign limited partnership's principal office and, if the

laws of the jurisdiction under which the foreign limited partnership is organized require the foreign limited partnership to maintain an office in that jurisdiction, the street and mailing address of the required office;

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

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

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

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

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

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

C. A certificate or a certified copy described in Subsection B of this section is a part of the application for all purposes. It shall be revised or corrected as required by Section 906 of the Uniform Revised Limited Partnership Act.

If it does not use the English language and Arabic numbers, it

shall be accompanied by a certified translation. A certification or a certification of a copy or a translation shall be dated within thirty days of its presentation to the secretary of state for filing. A certificate shall state the information listed in Subsection A of Section 209 of the Uniform Revised Limited Partnership Act or information of similar import.

Section 903. ACTIVITIES NOT CONSTITUTING TRANSACTING BUSINESS.--

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

(1) maintaining, defending and settling an action or proceeding, whether judicial, administrative, arbitration or mediation;

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

(3) maintaining accounts in financial institutions;

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

(5) selling through independent contractors;

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

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

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

(9) investing in or acquiring, in transactions outside New Mexico, royalties and other nonoperating mineral interests; and executing division orders, contracts of sale and other instruments incidental to the ownership of such nonoperating mineral interests;

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

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

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

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

(14) transacting business in interstate commerce.

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

C. This section does not apply in determining the contacts or activities that may subject a foreign limited partnership to service of process, taxation or regulation pursuant to any other law of this state.

Section 904. FILING OF CERTIFICATE OF AUTHORITY.--
Unless the secretary of state determines that an application for a certificate of authority or a revised application for a certificate of authority does not comply with the filing requirements of the Uniform Revised Limited Partnership Act, the secretary of state, upon payment of all filing fees, shall file the application, prepare, sign and file a certificate of

authority to transact business in this state or restated certificate of authority in the case of a revised application, and send a copy of the filed certificate, together with a receipt for the fees, to the foreign limited partnership or its representative.

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

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

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

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

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

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

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

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

(1) the name of the foreign limited partnership;

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

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

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

C. A general partner that knows that any

information in a filed application for certificate of authority was false when filed or has become false due to changed circumstances shall promptly:

(1) cause a revised application to be filed;

or

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

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

A. In order to cancel its certificate of authority to transact business in this state, a foreign limited partnership shall deliver to the secretary of state for filing a notice of cancellation. The certificate is canceled when the notice becomes effective pursuant to Section 206 of the Uniform Revised Limited Partnership Act.

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

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

state.

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

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

Section 908. ACTION BY ATTORNEY GENERAL.--The attorney general may maintain an action to restrain a foreign limited partnership from transacting business in this state in violation of Article 9 of the Uniform Revised Limited Partnership Act.

ARTICLE 10

ACTIONS BY PARTNERS

Section 1001. DIRECT ACTION BY PARTNER.--

A. Subject to Subsection B of this section, a partner may maintain a direct action against the limited partnership or another partner for legal or equitable relief,

with or without an accounting as to the partnership's activities, to enforce the rights and otherwise protect the interests of the partner, including rights and interests pursuant to the partnership agreement or the Uniform Revised Limited Partnership Act, or arising independently of the partnership relationship.

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

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

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

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

B. a demand would be futile.

Section 1003. PROPER PLAINTIFF.--A derivative action

may be maintained only by a person that is a partner at the time the action is commenced and:

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

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

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

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

B. why demand should be excused as futile.

Section 1005. PROCEEDS AND EXPENSES.--

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

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

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

B. If a derivative action is successful in whole or in part, the court may award the plaintiff reasonable

expenses, including reasonable attorney fees, from the recovery of the limited partnership.

ARTICLE 11

CONVERSION AND MERGER

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

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

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

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

D. "converting limited partnership" means a converting organization that is a limited partnership;

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

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

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

H. "organization" means a general partnership, including a limited liability partnership; limited

partnership, including a limited liability limited partnership; limited liability company; business trust; corporation; or any other person having a governing statute. "Organization" includes domestic and foreign organizations whether or not organized for profit;

I. "organizational documents" means:

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

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

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

(4) for a business trust, its agreement of trust and declaration of trust;

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

(6) for any other organization, the basic records that create the organization and determine its internal governance and the relations between the persons that

own it, have an interest in it or are members of it;

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

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

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

K. "surviving organization" means an organization into which one or more other organizations are merged. A surviving organization may preexist the merger or be created by the merger.

Section 1102. CONVERSION.--

A. An organization other than a limited partnership may convert to a limited partnership, and a limited partnership may convert to another organization pursuant to this section and Sections 1103 through 1105 of the Uniform Revised Limited Partnership Act and a plan of

conversion, if:

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

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

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

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

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

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

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

(4) the organizational documents of the converted organization.

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

A. Subject to Section 1110 of the Uniform Revised Limited Partnership Act, a plan of conversion must be

consented to by all the partners of a converting limited partnership.

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

(1) as provided in the plan; and

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

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

A. After a plan of conversion is approved:

(1) a converting limited partnership shall deliver to the secretary of state for filing articles of conversion that shall include:

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

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

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

(d) a statement that the conversion was

approved as required by the Uniform Revised Limited Partnership Act;

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

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

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

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

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

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

B. A conversion becomes effective:

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

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

Section 1105. EFFECT OF CONVERSION.--

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

B. When a conversion takes effect:

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

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

(3) an action or proceeding pending by or against the converting organization may be continued as if the conversion had not occurred;

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

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

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

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

Section 1106. MERGER.--

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

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

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

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

B. A plan of merger shall be in a record and shall include:

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

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

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

(4) if the surviving organization is to be created by the merger, the surviving organization's organizational documents; and

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

documents.

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

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

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

(1) as provided in the plan; and

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

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

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

(1) each preexisting constituent limited partnership, by each general partner listed in the certificate of limited partnership; and

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

B. The articles of merger shall include:

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

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

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

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

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

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

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

(6) a statement as to each constituent organization that the merger was approved as required by the organization's governing statute;

(7) if the surviving organization is a

foreign organization not authorized to transact business in this state, the street and mailing address of an office that the secretary of state may use for the purposes of Subsection B of Section 1109 of the Uniform Revised Limited Partnership Act; and

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

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

D. A merger becomes effective pursuant to this article:

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

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

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

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

Section 1109. EFFECT OF MERGER.--

A. When a merger becomes effective:

(1) the surviving organization continues or

comes into existence;

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

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

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

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

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

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

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

(9) if the surviving organization is created

by the merger:

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

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

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

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

Section 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND MERGERS.--

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

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

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

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

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

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

(1) the provisions of the Uniform Revised Limited Partnership Act pertaining to the collection or

discharge of the liability continue to apply to the liability;

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

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

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

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

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

(1) a person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if, at the time the

third party enters into the transaction, the third party:

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

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

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

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

(b) at the time the third party enters into the transaction less than two years have passed since the person dissociated as a general partner and the third party: 1) does not have notice of the dissociation; 2) does not have notice of the conversion or merger; and 3) reasonably believes that the converted or surviving organization is the converting

or constituent limited partnership, the converting or constituent limited partnership is not a limited liability limited partnership and the person is a general partner in the converting or constituent limited partnership.

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

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

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

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

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

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

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

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

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

(a) does not have notice of the dissociation;

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

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

C. If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation pursuant to Subsection A or B of this

section, the person is liable:

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

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

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

ARTICLE 12

MISCELLANEOUS PROVISIONS

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

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

Section 1203. RELATION TO ELECTRONIC SIGNATURES IN

GLOBAL AND NATIONAL COMMERCE ACT.--The Uniform Revised Limited Partnership Act modifies, limits or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but the Uniform Revised Limited Partnership Act does not modify, limit or supersede Section 101(c) of the federal Electronic Signatures in Global and National Commerce Act or authorize electronic delivery of any of the notices described in Section 103(b) of the federal Electronic Signatures in Global and National Commerce Act.

Section 1204. APPLICATION TO EXISTING LIMITED PARTNERSHIPS AND OTHER RELATIONSHIPS.--

A. The Uniform Revised Limited Partnership Act governs only:

(1) a limited partnership formed on or after January 1, 2008; and

(2) except as otherwise provided in Subsections B and C of this section, a limited partnership formed before January 1, 2008 that elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to the Uniform Revised Limited Partnership Act, and that presents to the secretary of state for filing:

(a) an amended and restated certificate of limited partnership stating that it elects to be subject to that act if the filing is made before January 1, 2009; or

(b) if the filing is made on or after January 1, 2009, an amended and restated certificate of limited partnership stating the information required by Section 201 of the Uniform Revised Limited Partnership Act. The "liability effective date" with respect to the limited partnership is the date that is ninety days after a limited partnership described in this paragraph files with the secretary of state an amended and restated certificate of limited partnership stating the information required by Section 201 of the Uniform Revised Limited Partnership Act.

B. With respect to a limited partnership formed before January 1, 2008 that elects pursuant to Paragraph (2) of Subsection A of this section to be subject to the Uniform Revised Limited Partnership Act, the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:

(1) Subsection C of Section 104 of the Uniform Revised Limited Partnership Act does not apply and the limited partnership has whatever duration it had pursuant to the law applicable immediately before January 1, 2008;

(2) Sections 601 and 602 of the Uniform Revised Limited Partnership Act do not apply and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed

immediately before January 1, 2008;

(3) Subsection D of Section 603 of the Uniform Revised Limited Partnership Act does not apply;

(4) Subsection E of Section 603 of the Uniform Revised Limited Partnership Act does not apply and a court has the same power to expel a general partner as the court had immediately before January 1, 2008; and

(5) Subsection C of Section 801 of the Uniform Revised Limited Partnership Act does not apply and the connection between a person's dissociation as a general partner and the dissolution of the limited partnership is the same as existed immediately before January 1, 2008.

C. With respect to a limited partnership that elects pursuant to Paragraph (2) of Subsection A of this section to be subject to the Uniform Revised Limited Partnership Act, after the election takes effect the provisions of the Uniform Revised Limited Partnership Act relating to the liability of the limited partnership's general partners to third parties apply:

(1) before the liability effective date, to:

(a) a third party that had not done business with the limited partnership in the year before the election took effect; and

(b) a third party that had done business with the limited partnership in the year before the

election took effect only if the third party knows or has received a notification of the election; and

(2) on and after the liability effective date, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable pursuant to Subparagraph (b) of Paragraph (1) of this subsection.

D. Until a limited partnership formed before January 1, 2008 elects to be governed by the Uniform Revised Limited Partnership Act, the limited partnership shall continue to be governed by the provisions of the Uniform Limited Partnership Act under which the limited partnership was formed as if that act had not been repealed, except that the limited partnership shall not be renewed unless so provided in the original agreement or in the manner provided in its partnership agreement or by law for amending the partnership agreement.

E. After January 1, 2009, the Uniform Revised Limited Partnership Act governs a foreign limited partnership formed at any time.

F. Certificates of limited partnership filed with a county clerk before July 1, 1993 may be refiled with the secretary of state. Such a refiling supersedes the filing in the county clerk's office. Such a refiling without compliance with the provisions of Paragraph (2) of Subsection A of this

section is not an election to be subject to the Uniform Revised Limited Partnership Act. Certificates of limited partnership not refiled with the secretary of state shall remain valid until expiration or until cancellation pursuant to a certificate of cancellation filed with the county clerk.

Section 1205. SAVING CLAUSE.--The Uniform Revised Limited Partnership Act does not affect an action commenced, proceeding brought or right accrued before January 1, 2008.

Section 1206. REPEAL.--Effective January 1, 2009, Sections 54-2-1 through 54-2-63 NMSA 1978 (being Laws 1988, Chapter 90, Sections 1 through 48, Laws 1979, Chapter 85, Sections 1 through 8 and Laws 1988, Chapter 90, Sections 57 through 63, as amended) are repealed.

Section 1207. TRANSITION PROVISIONS.--Until January 1, 2009, the provisions of Sections 54-1A-105, 54-1A-303, 54-1A-304, 54-1A-704, 54-1A-805, 54-1A-901 through 54-1A-908, 54-2-3 through 54-2-5, 54-2-9 through 54-2-14, 54-2-49 through 54-2-56 and 54-2-62 NMSA 1978 apply to a limited partnership formed on or after July 1, 2008; to a limited partnership formed before July 1, 2008 that elects pursuant to the provisions of Paragraph (2) of Subsection A of Section 1204 of the Uniform Revised Limited Partnership Act to be subject to that act; and to a foreign limited partnership formed at any time.

Section 1208. EFFECTIVE DATES.--

A. Except as provided in Subsections B and C of this section, the effective date of the provisions of this act is January 1, 2008.

B. The effective date of the provisions of Sections 108, 109, 114 through 117, 201 through 210, 901, 902, 904 through 908 and 1101 through 1113 of this act is July 1, 2009.

C. The effective date of the provisions of Section 903 of this act is July 1, 2007.