

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

underscoring material = new
[bracketed material] = delete

HOUSE BILL 184

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Antonio "Moe" Maestas

AN ACT

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

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

ARTICLE 1

GENERAL PROVISIONS

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

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

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

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

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

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

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

12 D. "designated office" means:

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

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

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

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

underscored material = new
[bracketed material] = delete

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

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

8 H. "general partner" means:

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

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

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

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

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

25 J. "limited partner" means:

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

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

25 M. "partnership agreement" means the partners'

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

22 S. "sign" means:

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

25 (2) to attach or logically associate an

.163462.2

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

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

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

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

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

15 Section 103. KNOWLEDGE AND NOTICE.--

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

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

19 (1) knows of it;

20 (2) has received a notification of it;

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

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

25 C. A certificate of limited partnership on file in

.163462.2

1 the office of the secretary of state is notice that the
2 partnership is a limited partnership. A certificate of limited
3 partnership stating the information required by Section 201 of
4 the Uniform Revised Limited Partnership Act on file in the
5 office of the secretary of state is notice that the partnership
6 is a limited liability limited partnership, except as otherwise
7 provided in Section 1206 of that act. Any certificate of
8 limited partnership is notice that the persons designated in
9 the certificate as general partners are general partners.
10 Except as otherwise provided in Subsection D of this section,
11 the certificate is not notice of any other fact.

12 D. A person has notice of:

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

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

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

underscoring material = new
[bracketed material] = delete

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

5 (5) a merger pursuant to Article 11 of the
6 Uniform Revised Limited Partnership Act, ninety days after the
7 effective date of the articles of merger.

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

12 F. A person receives a notification when the
13 notification:

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

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

18 G. Except as otherwise provided in Subsection H of
19 this section, a person other than an individual knows, has
20 notice or receives a notification of a fact for purposes of a
21 particular transaction when the individual conducting the
22 transaction for the person knows, has notice or receives a
23 notification of the fact, or in any event when the fact would
24 have been brought to the individual's attention if the person
25 had exercised reasonable diligence. A person other than an

.163462.2

1 individual exercises reasonable diligence if it maintains
2 reasonable routines for communicating significant information
3 to the individual conducting the transaction for the person and
4 there is reasonable compliance with the routines. Reasonable
5 diligence does not require an individual acting for the person
6 to communicate information unless the communication is part of
7 the individual's regular duties or the individual has reason to
8 know of the transaction and that the transaction would be
9 materially affected by the information.

10 H. A general partner's knowledge, notice or receipt
11 of a notification of a fact relating to the limited partnership
12 is effective immediately as knowledge of, notice to or receipt
13 of a notification by the limited partnership, except in the
14 case of a fraud on the limited partnership committed by or with
15 the consent of the general partner. A limited partner's
16 knowledge, notice or receipt of a notification of a fact
17 relating to the limited partnership is not effective as
18 knowledge of, notice to or receipt of a notification by the
19 limited partnership.

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 C. A limited partnership has a perpetual duration.

2 Section 105. POWERS.--A limited partnership has the
3 powers to do all things necessary or convenient to carry on its
4 activities, including the power to sue, be sued and defend in
5 its own name and to maintain an action against a partner for
6 harm caused to the limited partnership by a breach of the
7 partnership agreement or violation of a duty to the
8 partnership.

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

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

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

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

23 Section 108. NAME.--

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 B. The name of a limited partnership that is not a
2 limited liability limited partnership shall contain the phrase
3 "limited partnership" or the abbreviation "L.P." or "LP" and
4 shall not contain the phrase "limited liability limited
5 partnership" or the abbreviation "LLLP" or "L.L.L.P."

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

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

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

16 (2) each name reserved pursuant to Section 109
17 of the Uniform Revised Limited Partnership Act or Section
18 53-11-8 or 53-19-4 NMSA 1978; and

19 (3) each name registered pursuant to Section
20 53-11-9 NMSA 1978.

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 (1) the present user, registrant or owner of
2 the conflicting name consents in a signed record to the use and
3 submits an undertaking in a form satisfactory to the secretary
4 of state to change the conflicting name to a name that complies
5 with Subsection D of this section and is distinguishable in the
6 records of the secretary of state from the name applied for;

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

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

14 (a) has merged into the applicant;

15 (b) has been converted into the
16 applicant; or

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

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

24 Section 109. RESERVATION OF NAME.--

25 A. The exclusive right to the use of a name that

.163462.2

underscoring material = new
[bracketed material] = delete

1 complies with Section 108 of the Uniform Revised Limited
2 Partnership Act may be reserved by:

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

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

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

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

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

17 (6) a foreign limited partnership formed under
18 a name that does not comply with Subsection B or C of Section
19 108 of the Uniform Revised Limited Partnership Act, but the
20 name reserved pursuant to this paragraph may differ from the
21 foreign limited partnership's name only to the extent necessary
22 to comply with Subsections B and C of Section 108 of the
23 Uniform Revised Limited Partnership Act.

24 B. A person may apply to reserve a name pursuant to
25 Subsection A of this section by delivering to the secretary of

.163462.2

underscoring material = new
[bracketed material] = delete

1 state for filing an application that states the name to be
2 reserved and the paragraph of Subsection A of this section that
3 applies. If the secretary of state finds that the name is
4 available for use by the applicant, the secretary of state
5 shall file a statement of name reservation and thereby reserve
6 the name for the exclusive use of the applicant for one hundred
7 twenty days.

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

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

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

25 A. Except as otherwise provided in Subsection B of
.163462.2

underscored material = new
[bracketed material] = delete

1 this section, the partnership agreement governs relations
2 between the partners and between the partners and the
3 partnership. To the extent the partnership agreement does not
4 otherwise provide, the Uniform Revised Limited Partnership Act
5 governs relations between the partners and between the partners
6 and the partnership.

7 B. A partnership agreement may not:

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

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

25 (9) vary the power of a court to decree

.163462.2

underscored material = new
[bracketed material] = delete

1 dissolution in the circumstances specified in Section 802 of
2 the Uniform Revised Limited Partnership Act;

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

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 has been signed;

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

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

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

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

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 transferable interest the person owns in each capacity; and
2 (4) any events upon the happening of which the
3 limited partnership is to be dissolved and its activities wound
4 up.

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 (2) an agent for service of process.

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

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

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

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

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

23 B. After receiving a statement of resignation, the
24 secretary of state shall file it and mail a copy to the
25 designated office of the limited partnership or foreign limited

.163462.2

underscoring material = new
[bracketed material] = delete

1 partnership and mail another copy to the principal office if
2 the address of the office appears in the records of the
3 secretary of state and is different from the address of the
4 designated office.

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

8 Section 117. SERVICE OF PROCESS.--

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

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

22 C. Service of any process, notice or demand on the
23 secretary of state may be made by delivering to and leaving
24 with the secretary of state duplicate copies of the process,
25 notice or demand and the fee required by Section 210 of the

.163462.2

underscored material = new
[bracketed material] = delete

1 Uniform Revised Limited Partnership Act. If a process, notice
2 or demand is served on the secretary of state, the secretary of
3 state shall forward one of the copies by registered or
4 certified mail, return receipt requested, to the limited
5 partnership or foreign limited partnership at its designated
6 office.

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

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

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

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

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

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

24 Section 118. CONSENT AND PROXIES OF PARTNERS.--Action
25 requiring the consent of partners pursuant to the Uniform

.163462.2

1 Revised Limited Partnership Act may be taken without a meeting,
2 and a partner may appoint a proxy to consent or otherwise act
3 for the partner by signing an appointment record, either
4 personally or by the partner's attorney in fact.

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

10 ARTICLE 2
11 FORMATION; CERTIFICATE OF
12 LIMITED PARTNERSHIP AND OTHER FILINGS

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

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

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

21 (2) the street and mailing address of the
22 initial designated office and the name and street and mailing
23 address of the initial agent for service of process;

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

.163462.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

19 D. Subject to Subsection B of this section, if any
20 provision of a partnership agreement is inconsistent with the
21 filed certificate of limited partnership or with a filed
22 statement of dissociation, termination or filed articles of
23 conversion or merger:

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

12 (1) the name of the limited partnership;

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

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

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

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

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

25 (2) a change of name of the limited

.163462.2

underscored material = new
[bracketed material] = delete

1 partnership, if its name does not comply with Section 108 of
2 the Uniform Revised Limited Partnership Act;

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

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

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

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

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

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

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

24 F. Subject to Subsection C of Section 206 of the
25 Uniform Revised Limited Partnership Act, an amendment or

.163462.2

underscoring material = new
[bracketed material] = delete

1 restated certificate is effective when filed by the secretary
2 of state.

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

7 A. the name of the limited partnership;

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

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

14 Section 204. SIGNING OF RECORDS.--

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

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

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

.163462.2

1 person;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

underscored material = new
[bracketed material] = delete

1 limited partnership; and

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

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

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

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

15 (1) the person to sign the record;

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 in Subsection A of this section in the same action in
2 combination or in the alternative.

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

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

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

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

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

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

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

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

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

25 B. Unless the secretary of state determines that a

.163462.2

underscored material = new
[bracketed material] = delete

1 record does not comply with the filing requirements of the
2 Uniform Revised Limited Partnership Act, and if all filing fees
3 have been paid, the secretary of state shall endorse on each
4 duplicate original the word "filed" and the day, month and year
5 of filing, file one duplicate original of the record and:

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

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

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

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

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

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

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

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

.163462.2

1 requested record.

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

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

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

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

20 (a) the specified date; or

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

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

.163462.2

underscored material = new
[bracketed material] = delete

- 1 (a) the specified date; or
- 2 (b) the ninetieth day after the record
- 3 is filed.

4 Section 207. CORRECTING FILED RECORD.--

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

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

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

24 (2) a general partner that has notice that the
25 information was false when the record was filed or has become

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

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

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

.163462.2

1 this state;

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

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

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

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

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

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

20 Section 210. SECRETARY OF STATE FEES.--

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 (2) filing an application for a certificate of
2 authority by a foreign limited partnership, articles of
3 conversion or articles of merger, a fee of one hundred dollars
4 (\$100);

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

7 (4) furnishing copies of records, a fee of one
8 dollar (\$1.00) per page, but in no case less than ten dollars
9 (\$10.00), and a fee of twenty-five dollars (\$25.00) for
10 certifying the copies, if certified copies are furnished;

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

13 (6) service of process or of a notice or
14 demand on the secretary of state, a fee of fifty dollars
15 (\$50.00).

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

18 (1) an expedited service;

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

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

24 ARTICLE 3

25 LIMITED PARTNERS

.163462.2

underscored material = new
[bracketed material] = delete

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

3 A. as provided in the partnership agreement;

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

7 C. with the consent of all the partners.

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

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

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

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

.163462.2

1 limited partnership's designated office. The limited partner
2 need not have any particular purpose for seeking the
3 information.

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

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

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

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

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

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

.163462.2

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

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

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

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

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

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

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

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

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

underscoring material = new
[bracketed material] = delete

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

24 (2) withdraws from future participation as an
25 owner in the enterprise by signing and delivering to the

underscoring material = new
[bracketed material] = delete

1 secretary of state for filing a statement of withdrawal
2 pursuant to this section.

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

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

20 ARTICLE 4

21 GENERAL PARTNERS

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

24 A. as provided in the partnership agreement;

25 B. pursuant to Paragraph (2) of Subsection C of

.163462.2

underscoring material = new
[bracketed material] = delete

1 Section 801 of the Uniform Revised Limited Partnership Act
2 following the dissociation of a limited partnership's last
3 general partner;

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

7 D. with the consent of all the partners.

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 by the limited partnership binds the limited partnership only
2 if the act was actually authorized by all the other partners.

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

24 C. A judgment creditor of a general partner shall
25 not levy execution against the assets of the general partner to

.163462.2

underscored material = new
[bracketed material] = delete

1 satisfy a judgment based on a claim against the limited
2 partnership, unless the partner is personally liable for the
3 claim pursuant to Section 404 of the Uniform Revised Limited
4 Partnership Act and:

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

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

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

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

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

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

24 A. Each general partner has equal rights in the
25 management and conduct of the limited partnership's activities.

.163462.2

underscored material = new
[bracketed material] = delete

1 Except as expressly provided in the Uniform Revised Limited
2 Partnership Act, any matter relating to the activities of the
3 limited partnership may be exclusively decided by the general
4 partner or, if there is more than one general partner, by a
5 majority of the general partners.

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

7 (1) amend the partnership agreement; and

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

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

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

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

25 F. A general partner is not entitled to

.163462.2

underscored material = new
[bracketed material] = delete

1 remuneration for services performed for the partnership.

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

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

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

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

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

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

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

24 C. Subject to Subsection E of this section, on ten
25 days' demand made in a record received by the limited

.163462.2

1 partnership, a person dissociated as a general partner may have
2 access to the information and records described in Subsection A
3 of this section at the location specified in Subsection A of
4 this section if:

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

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

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

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

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

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

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

underscored material = new
[bracketed material] = delete

1 costs of labor and material.

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

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

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

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

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

25 (1) to account to the limited partnership and

.163462.2

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

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

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

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

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

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

1 general partner's conduct furthers the general partner's own
2 interest.

3 ARTICLE 5

4 CONTRIBUTIONS AND DISTRIBUTIONS

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

10 Section 502. LIABILITY FOR CONTRIBUTION.--

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

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

20 C. The obligation of a partner to make a
21 contribution or return money or other property paid or
22 distributed in violation of the Uniform Revised Limited
23 Partnership Act may be compromised only by consent of all
24 partners. A creditor of a limited partnership that extends
25 credit or otherwise acts in reliance on an obligation described

.163462.2

underscoring material = new
[bracketed material] = delete

1 in Subsection A of this section, without notice of any
2 compromise pursuant to this subsection, may enforce the
3 original obligation.

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

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

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

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

24 Section 507. RIGHT TO DISTRIBUTION.--When a partner or
25 transferee becomes entitled to receive a distribution, the

.163462.2

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

8 Section 508. LIMITATIONS ON DISTRIBUTION.--

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

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

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

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

24 C. A limited partnership may base a determination
25 that a distribution is not prohibited pursuant to Subsection B

1 of this section on financial statements prepared on the basis
2 of accounting practices and principles that are reasonable in
3 the circumstances or on a fair valuation or other method that
4 is reasonable in the circumstances.

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

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

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

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

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

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

23 F. A limited partnership's indebtedness, including
24 indebtedness issued in connection with or as part of a
25 distribution, is not considered a liability for purposes of

underscoring material = new
[bracketed material] = delete

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

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

9 Section 509. LIABILITY FOR IMPROPER DISTRIBUTIONS.--

10 A. A general partner that consents to a
11 distribution made in violation of Section 508 of the Uniform
12 Revised Limited Partnership Act is personally liable to the
13 limited partnership for the amount of the distribution that
14 exceeds the amount that could have been distributed without the
15 violation if it is established that in consenting to the
16 distribution, the general partner failed to comply with Section
17 408 of the Uniform Revised Limited Partnership Act.

18 B. A partner or transferee that received a
19 distribution knowing that the distribution to that partner or
20 transferee was made in violation of Section 508 of the Uniform
21 Revised Limited Partnership Act is personally liable to the
22 limited partnership but only to the extent that the
23 distribution received by the partner or transferee exceeded the
24 amount that could have been properly paid pursuant to Section
25 508 of that act.

.163462.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

13 ARTICLE 6

14 DISSOCIATION

15 Section 601. DISSOCIATION AS LIMITED PARTNER.--

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

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

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

25 (2) an event agreed to in the partnership

.163462.2

1 agreement as causing the person's dissociation as a limited
2 partner;

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

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 (5) on application by the limited partnership,
2 the person's expulsion as a limited partner by judicial order
3 because:

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 entire transferable interest in the limited partnership, but
2 not merely by reason of the substitution of a successor
3 personal representative;

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

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

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

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

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

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

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

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

.163462.2

1 before the dissociation; and

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

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

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

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

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

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

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

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

25 (2) there has been a transfer of all or

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

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

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

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

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

23 (2) the person willfully or persistently
24 committed a material breach of the partnership agreement or of
25 a duty owed to the partnership or the other partners pursuant

1 to Section 408 of the Uniform Revised Limited Partnership Act;
2 or

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

7 F. the person's:

8 (1) becoming a debtor in bankruptcy;

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

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

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

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

23 (1) the person's death;

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

underscoring material = new
[bracketed material] = delete

1 (3) a judicial determination that the person
2 has otherwise become incapable of performing the person's
3 duties as a general partner pursuant to the partnership
4 agreement;

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 be a general partner.

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

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

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

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

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

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

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

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

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

25 C. A person that wrongfully dissociates as a

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

13 (2) the person's duty of loyalty as a general
14 partner pursuant to Paragraph (3) of Subsection B of Section
15 408 of the Uniform Revised Limited Partnership Act terminates;

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 partnership, shall sign an amendment to the certificate of
2 limited partnership that states that the person has
3 dissociated; and

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

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

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

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

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

25 (2) at the time the other party enters into

.163462.2

underscoring material = new
[bracketed material] = delete

1 the transaction:

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

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

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

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

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

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

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

.163462.2

1 dissociation.

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

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

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

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

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

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

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

1 obligation of the limited partnership.

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

8 ARTICLE 7

9 TRANSFERABLE INTERESTS AND RIGHTS

10 OF TRANSFEREES AND CREDITORS

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

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

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

19 (1) is permissible;

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

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

.163462.2

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

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

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

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

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

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

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

23 F. A transfer of a partner's transferable interest
24 in the limited partnership in violation of a restriction on
25 transfer contained in the partnership agreement is ineffective

underscored material = new
[bracketed material] = delete

1 as to a person having notice of the restriction at the time of
2 transfer.

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

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

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

23 B. A charging order constitutes a lien on the
24 judgment debtor's transferable interest. The court may order a
25 foreclosure upon the interest subject to the charging order at

.163462.2

underscoring material = new
[bracketed material] = delete

1 any time. The purchaser at the foreclosure sale has the rights
2 of a transferee.

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

5 (1) by the judgment debtor;

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

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

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

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

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

.163462.2

1 Partnership Act.

2 ARTICLE 8

3 DISSOLUTION

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

9 A. the happening of an event specified in the
10 partnership agreement;

11 B. the consent of all general partners and of
12 limited partners owning a majority of the rights to receive
13 distributions as limited partners at the time the consent is to
14 be effective;

15 C. after the dissociation of a person as a general
16 partner:

17 (1) if the limited partnership has at least
18 one remaining general partner, the consent to dissolve the
19 limited partnership given within ninety days after the
20 dissociation by partners owning a majority of the rights to
21 receive distributions as partners at the time the consent is to
22 be effective; or

23 (2) if the limited partnership does not have a
24 remaining general partner, the passage of ninety days after the
25 dissociation, unless before the end of the period:

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

17 Section 803. WINDING UP.--

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

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

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

.163462.2

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

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

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

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

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

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

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

underscored material = new
[bracketed material] = delete

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

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

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

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

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

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

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

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

25 B. A person dissociated as a general partner binds

1 a limited partnership through an act occurring after
2 dissolution if:

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

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

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

10 (2) the act:

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 winding up the partnership's activities, the general partner is
2 liable:

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

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

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

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

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

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

24 A. A dissolved limited partnership may dispose of
25 the known claims against it by following the procedure

.163462.2

underscoring material = new
[bracketed material] = delete

1 described in Subsection B of this section.

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

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

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

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

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

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

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

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

15 B. The notice shall:

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

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

24 (3) state that a claim against the limited
25 partnership is barred unless an action to enforce the claim is

.163462.2

underscored material = new
[bracketed material] = delete

1 commenced within five years after publication of the notice;
2 and

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

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

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 satisfy the limited partnership's obligations to creditors,
2 including, to the extent permitted by law, partners that are
3 creditors.

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

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

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

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

.163462.2

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

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

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

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

23 F. An assignee for the benefit of creditors of a
24 limited partnership or a partner, or a person appointed by a
25 court to represent creditors of a limited partnership or a

1 partner, may enforce a person's obligation to contribute
2 pursuant to Subsection C of this section.

3 ARTICLE 9

4 FOREIGN LIMITED PARTNERSHIPS

5 Section 901. GOVERNING LAW.--

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

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

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

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

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

25 (1) the name of the foreign limited

.163462.2

underscoring material = new
~~[bracketed material]~~ = delete

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

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

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

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

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

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

25 (7) whether the foreign limited partnership is

.163462.2

underscored material = new
[bracketed material] = delete

1 a foreign limited liability limited partnership.

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

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

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

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

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

24 A. Activities of a foreign limited partnership that
25 do not constitute transacting business in this state within the

.163462.2

1 meaning of Article 9 of the Uniform Revised Limited Partnership
2 Act include:

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

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

8 (3) maintaining accounts in financial
9 institutions;

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

14 (5) selling through independent contractors;

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

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

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

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

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

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

20 (14) transacting business in interstate
21 commerce.

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 section, constitutes transacting business in this state.

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 alternate name, a foreign limited partnership shall transact
2 business in this state under the name.

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

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

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

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

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

25 B. The revised application for certificate of

.163462.2

1 authority shall state:

2 (1) the name of the foreign limited
3 partnership;

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

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

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

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

16 (1) cause a revised application to be filed;
17 or

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

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

23 A. In order to cancel its certificate of authority
24 to transact business in this state, a foreign limited
25 partnership shall deliver to the secretary of state for filing

.163462.2

underscoring material = new
[bracketed material] = delete

1 a notice of cancellation. The certificate is canceled when the
2 notice becomes effective pursuant to Section 206 of the
3 Uniform Revised Limited Partnership Act.

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

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

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

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

.163462.2

1 of the transaction of business in this state.

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

7 ARTICLE 10

8 ACTIONS BY PARTNERS

9 Section 1001. DIRECT ACTION BY PARTNER.--

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

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

24 C. The accrual of, and any time limitation on, a
25 right of action for a remedy pursuant to this section is

.163462.2

underscored material = new
[bracketed material] = delete

1 governed by other law. A right to an accounting upon a
2 dissolution and winding up does not revive a claim barred by
3 law.

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

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

11 B. a demand would be futile.

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

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

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

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

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

25 B. why demand should be excused as futile.

.163462.2

1 Section 1005. PROCEEDS AND EXPENSES.--

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

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

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

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

15 ARTICLE 11

16 CONVERSION AND MERGER

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 Partnership Act;

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

4 E. "converting organization" means an organization
5 that converts into another organization pursuant to Section
6 1102 of the Uniform Revised Limited Partnership Act;

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

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

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

18 I. "organizational documents" means:

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

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

24 (3) for a domestic or foreign limited
25 liability company, its articles of organization and operating

.163462.2

1 agreement, or comparable records as provided in its governing
2 statute;

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

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

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

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

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

21 (2) by the organization's organizational
22 documents pursuant to a provision of the organization's
23 governing statute authorizing those documents to make one or
24 more specified persons liable for all or specified debts,
25 liabilities and other obligations of the organization solely by

.163462.2

underscored material = new
[bracketed material] = delete

1 reason of the person or persons co-owning, having an interest
2 in or being a member of the organization; and

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

7 Section 1102. CONVERSION.--

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

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

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

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

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

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

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

25 (3) the terms and conditions of the

.163462.2

underscoring material = new
[bracketed material] = delete

1 conversion, including the manner and basis for converting
2 interests in the converting organization into any combination
3 of money, interests in the converted organization and other
4 consideration; and

5 (4) the organizational documents of the
6 converted organization.

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

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

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

18 (1) as provided in the plan; and

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

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

23 A. After a plan of conversion is approved:

24 (1) a converting limited partnership shall
25 deliver to the secretary of state for filing articles of

.163462.2

1 conversion that shall include:

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

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

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

9 (d) a statement that the conversion was
10 approved as required by the Uniform Revised Limited Partnership
11 Act;

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

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

21 (2) if the converting organization is not a
22 converting limited partnership, the converting organization
23 shall deliver to the secretary of state for filing a
24 certificate of limited partnership that shall include, in
25 addition to the information required by Section 201 of the

.163462.2

underscoring material = new
[bracketed material] = delete

1 Uniform Revised Limited Partnership Act:

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

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

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

9 B. A conversion becomes effective:

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

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

16 Section 1105. EFFECT OF CONVERSION.--

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

21 B. When a conversion takes effect:

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

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

.163462.2

underscoring material = new
~~[bracketed material]~~ = delete

1 obligations of the converted organization;

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

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

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

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

16 C. A converted organization that is a foreign
17 organization consents to the jurisdiction of the courts of this
18 state to enforce any obligation owed by the converting limited
19 partnership, if before the conversion the converting limited
20 partnership was subject to suit in this state on the
21 obligation. A converted organization that is a foreign
22 organization and not authorized to transact business in this
23 state appoints the secretary of state as its agent for service
24 of process for purposes of enforcing an obligation pursuant to
25 this subsection. Service on the secretary of state pursuant to

.163462.2

underscoring material = new
[bracketed material] = delete

1 this subsection is made in the same manner and with the same
2 consequences as in Subsections C and D of Section 117 of the
3 Uniform Revised Limited Partnership Act.

4 Section 1106. MERGER.--

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

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

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

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

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

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

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

23 (3) the terms and conditions of the merger,
24 including the manner and basis for converting the interests in
25 each constituent organization into any combination of money,

.163462.2

underscored material = new
[bracketed material] = delete

1 interests in the surviving organization and other
2 consideration;

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

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

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

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

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

20 (1) as provided in the plan; and

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

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

25 A. After each constituent organization has approved

.163462.2

underscoring material = new
~~[bracketed material] = delete~~

1 a merger, articles of merger shall be signed on behalf of:

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

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

7 B. The articles of merger shall include:

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

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

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

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

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

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

24 (5) if the surviving organization preexists
25 the merger, any amendments provided for in the plan of merger

.163462.2

underscored material = new
[bracketed material] = delete

1 for the organizational document that created the organization;

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

5 (7) if the surviving organization is a foreign
6 organization not authorized to transact business in this state,
7 the street and mailing address of an office that the secretary
8 of state may use for the purposes of Subsection B of Section
9 1109 of the Uniform Revised Limited Partnership Act; and

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

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

15 D. A merger becomes effective pursuant to this
16 article:

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

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

21 (b) subject to Subsection C of Section
22 206 of the Uniform Revised Limited Partnership Act, as
23 specified in the articles of merger; or

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

.163462.2

underscored material = new
[bracketed material] = delete

1 the surviving organization.

2 Section 1109. EFFECT OF MERGER.--

3 A. When a merger becomes effective:

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

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

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

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

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

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

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

25 (8) except as otherwise agreed, if a

.163462.2

underscoring material = new
~~[bracketed material] = delete~~

1 constituent limited partnership ceases to exist, the merger
2 does not dissolve the limited partnership for the purposes of
3 Article 8 of the Uniform Revised Limited Partnership Act;

4 (9) if the surviving organization is created
5 by the merger:

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

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

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

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

.163462.2

underscoring material = new
[bracketed material] = delete

1 consequences as in Subsections C and D of Section 117 of the
2 Uniform Revised Limited Partnership Act.

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

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

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

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

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

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

22 A. A conversion or merger pursuant to Article 11 of
23 the Uniform Revised Limited Partnership Act does not discharge
24 any liability, pursuant to Sections 404 and 607 of that act, of
25 a person that was a general partner in or dissociated as a

.163462.2

underscoring material = new
[bracketed material] = delete

1 general partner from a converting or constituent limited
2 partnership, but:

3 (1) the provisions of the Uniform Revised
4 Limited Partnership Act pertaining to the collection or
5 discharge of the liability continue to apply to the liability;

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

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

11 (a) the person has a right of
12 contribution from each other person that was liable as a
13 general partner pursuant to Section 404 of the Uniform Revised
14 Limited Partnership Act when the obligation was incurred and
15 has not been released from the obligation pursuant to Section
16 607 of that act; and

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

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

23 (1) a person that immediately before a
24 conversion or merger became effective was a general partner in
25 a converting or constituent limited partnership that was not a

.163462.2

1 limited liability limited partnership is personally liable for
2 each obligation of the converted or surviving organization
3 arising from a transaction with a third party after the
4 conversion or merger becomes effective, if, at the time the
5 third party enters into the transaction, the third party:

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

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

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

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

24 (b) at the time the third party enters
25 into the transaction less than two years have passed since the

underscored material = new
[bracketed material] = delete

1 person dissociated as a general partner and the third party:
2 1) does not have notice of the dissociation; 2) does not have
3 notice of the conversion or merger; and 3) reasonably believes
4 that the converted or surviving organization is the converting
5 or constituent limited partnership, the converting or
6 constituent limited partnership is not a limited liability
7 limited partnership and the person is a general partner in the
8 converting or constituent limited partnership.

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

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

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

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

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

25 (b) reasonably believes that the

.163462.2

1 converted or surviving business is the converting or
2 constituent limited partnership and that the person is a
3 general partner in the converting or constituent limited
4 partnership.

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

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

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

18 (a) does not have notice of the
19 dissociation;

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

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

underscoring material = new
[bracketed material] = delete

1 partnership.

2 C. If a person having knowledge of the conversion
3 or merger causes a converted or surviving organization to incur
4 an obligation pursuant to Subsection A or B of this section,
5 the person is liable:

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

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

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

15 ARTICLE 12

16 MISCELLANEOUS PROVISIONS

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

22 Section 1202. SEVERABILITY.--If any provision of the
23 Uniform Revised Limited Partnership Act or its application to
24 any person or circumstance is held invalid, the invalidity does
25 not affect other provisions or applications of that act that

.163462.2

underscoring material = new
[bracketed material] = delete

1 can be given effect without the invalid provision or
2 application, and to this end the provisions of that act are
3 severable.

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

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

16 A. The Uniform Revised Limited Partnership Act
17 governs only:

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 state for filing:

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

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

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

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

.163462.2

underscored material = new
[bracketed material] = delete

1 (2) Sections 601 and 602 of the Uniform
2 Revised Limited Partnership Act do not apply and a limited
3 partner has the same right and power to dissociate from the
4 limited partnership, with the same consequences, as existed
5 immediately before January 1, 2008;

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

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

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

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

24 (1) before the liability effective date, to:

25 (a) a third party that had not done

underscored material = new
[bracketed material] = delete

1 business with the limited partnership in the year before the
2 election took effect; and

3 (b) a third party that had done business
4 with the limited partnership in the year before the election
5 took effect only if the third party knows or has received a
6 notification of the election; and

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

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

22 E. After January 1, 2009, the Uniform Revised
23 Limited Partnership Act governs a foreign limited partnership
24 formed at any time.
25

.163462.2

underscored material = new
[bracketed material] = delete

1 F. Certificates of limited partnership filed with a
2 county clerk before July 1, 1993 may be refiled with the
3 secretary of state. Such a refiling supersedes the filing in
4 the county clerk's office. Such a refiling without compliance
5 with the provisions of Paragraph (2) of Subsection A of this
6 section is not an election to be subject to the Uniform Revised
7 Limited Partnership Act. Certificates of limited partnership
8 not refiled with the secretary of state shall remain valid
9 until expiration or until cancellation pursuant to a
10 certificate of cancellation filed with the county clerk.

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

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

19 Section 1207. TRANSITION PROVISIONS.--Until January 1,
20 2009, the provisions of Sections 54-1A-105, 54-1A-303,
21 54-1A-304, 54-1A-704, 54-1A-805, 54-1A-901 through 54-1A-908,
22 54-2-3 through 54-2-5, 54-2-9 through 54-2-14, 54-2-49 through
23 54-2-56 and 54-2-62 NMSA 1978 apply to a limited partnership
24 formed on or after July 1, 2008; to a limited partnership
25 formed before July 1, 2008 that elects pursuant to the

.163462.2

underscoring material = new
~~[bracketed material] = delete~~

1 provisions of Paragraph (2) of Subsection A of Section 1204 of
2 the Uniform Revised Limited Partnership Act to be subject to
3 that act; and to a foreign limited partnership formed at any
4 time.

5 Section 1208. EFFECTIVE DATES.--

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

9 B. The effective date of the provisions of Sections
10 108, 109, 114 through 117, 201 through 210, 901, 902, 904
11 through 908 and 1101 through 1113 of this act is July 1, 2009.

12 C. The effective date of the provisions of Section
13 903 of this act is July 1, 2007.