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Jane Dee Hull  
Secretary of State

CHAPTER 226

**HOUSE BILL 2067**

AN ACT

AMENDING SECTIONS 29-103, 29-104, 29-301, 29-302, 29-303, 29-304, 29-305, 29-308, 29-309, 29-310, 29-311, 29-312, 29-313, 29-314, 29-315, 29-316, 29-317, 29-319, 29-320, 29-321, 29-322, 29-323, 29-324, 29-328, 29-329, 29-330, 29-331, 29-333, 29-334, 29-335, 29-338, 29-342, 29-344, 29-345, 29-347, 29-348, 29-349, 29-350, 29-354, 29-357, 29-364, 29-366, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 3, ARIZONA REVISED STATUTES, BY ADDING ARTICLES 12 AND 13; AMENDING TITLE 29, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 5; PROVIDING FOR THE DELAYED REPEAL OF TITLE 29, CHAPTER 2, ARIZONA REVISED STATUTES; PROVIDING FOR A DELAYED REPEAL; RELATING TO PARTNERSHIPS.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 29-103, Arizona Revised Statutes, is amended to  
3 read:

4 29-103. Partnerships not required to record certificate

5 A. A partnership transacting business under a firm name or style which  
6 contains the surnames of all persons interested as partners, or one formed  
7 for the practice of law, is not required to record a certificate as required  
8 by section 29-102.

9 B. A commercial or banking partnership established and transacting  
10 business without the state under a name which is fictitious or does not show  
11 the names of the persons interested as partners may, without recording a  
12 certificate as required by section 29-102, use in this state the partnership  
13 name used by it without the state.

14 C. A domestic limited partnership which has filed or recorded a  
15 certificate of limited partnership under applicable laws may transact

1 business under the name set forth in such certificate without recording a  
2 certificate as required by section 29-102.

3 D. A foreign limited partnership which has registered pursuant to  
4 section 29-349 may transact business in this state under the name set forth  
5 in such registration without recording a certificate as required by section  
6 29-102.

7 E. A partnership engaged in this state in the practice of public  
8 accounting as certified public accountants or public accountants, which  
9 complies with section 32-731, is not required to record a certificate as  
10 required by section 29-102.

11 F. A domestic ~~registered~~ limited liability partnership that is  
12 registered pursuant to section 29-244 OR 29-1101 may transact business in  
13 this state under the name set forth in its registration without recording a  
14 certificate as required by section 29-102.

15 G. A foreign ~~registered~~ limited liability partnership that is  
16 registered pursuant to section 29-248 OR 29-1106 may transact business in  
17 this state under the name set forth in its registration without recording a  
18 certificate as required by section 29-102.

19 Sec. 2. Section 29-104, Arizona Revised Statutes, is amended to read:  
20 29-104. Service of summons in actions against partners;

21 judgment

22 A. Pursuant to subsections B and C of this section, in actions against  
23 partners, the summons and complaint may be served upon one partner, and such  
24 service shall authorize a judgment against the partnership and against the  
25 partner actually served.

26 B. In actions against a registered limited liability partnership, the  
27 statutory agent appointed by a registered limited liability partnership is  
28 an agent of the registered limited liability partnership on whom process,  
29 notice or demand that is required or permitted by law to be served on the  
30 registered limited liability partnership may be served. Service on the  
31 statutory agent is lawful personal service on the registered limited  
32 liability partnership. Service on the statutory agent authorizes a judgment  
33 against the registered limited liability partnership subject to the  
34 limitations of section 29-215, subsection B OR SECTION 29-1027.

35 C. If a registered limited liability partnership fails to appoint or  
36 maintain a statutory agent at the address shown on the records of the  
37 secretary of state, the secretary of state is an agent of the registered  
38 limited liability partnership on whom any process, notice or demand may be  
39 served. Service on the secretary of state of any process, notice or demand  
40 shall be made by delivering to and leaving with the secretary of state  
41 duplicate copies of the process, notice or demand. On receipt, the secretary  
42 of state shall immediately cause one of the copies of the process, notice or  
43 demand to be forwarded by mail, addressed to the registered limited liability  
44 partnership at its registered office.

1 D. The secretary of state shall keep a permanent record of all  
2 processes, notices and demands served on ~~the~~ THE SECRETARY OF STATE under this  
3 section and shall record in the record the time of each service and his  
4 action with reference to each service.

5 Sec. 3. Section 29-301, Arizona Revised Statutes, is amended to read:  
6 29-301. Definitions

7 In this chapter, unless the context otherwise requires:

8 ~~(1)~~ 1. "Certificate of limited partnership" means the certificate  
9 referred to in section 29-308, and the certificate as amended or restated.

10 ~~(2)~~ 2. "Contribution" means any cash, property, services rendered,  
11 or ~~a~~ promissory note or other binding obligation to contribute cash or  
12 property or to perform services, which a partner contributes to a limited  
13 partnership in his capacity as a partner.

14 ~~(3)~~ 3. "Event of withdrawal of a general partner" means an event that  
15 causes a person to cease to be a general partner as provided in section  
16 29-323.

17 ~~(4)~~ 4. "Foreign limited partnership" means a partnership formed under  
18 the laws of any state or other jurisdiction other than this state and having  
19 as partners one or more general partners and one or more limited partners.

20 ~~(5)~~ 5. "General partner" means a person who has been admitted to a  
21 limited partnership as a general partner in accordance with the partnership  
22 agreement and named in the certificate of limited partnership as a general  
23 partner.

24 ~~(6)~~ 6. "Limited partner" means a person who has been admitted to a  
25 limited partnership as a limited partner in accordance with the partnership  
26 agreement. ~~and named in the certificate of limited partnership as a limited~~  
27 ~~partner.~~

28 ~~(7)~~ 7. "Limited partnership" and "domestic limited partnership" means  
29 a partnership formed by two or more persons under the laws of this state and  
30 having one or more general partners and one or more limited partners.

31 ~~(8)~~ 8. "Partner" means a limited or general partner.

32 ~~(9)~~ 9. "Partnership agreement" means any valid agreement, written or  
33 oral, of the partners as to the affairs of a limited partnership and the  
34 conduct of its business.

35 ~~(10)~~ 10. "Partnership interest" means a partner's share of the  
36 profits and losses of a limited partnership and the right to receive  
37 distributions of partnership assets.

38 ~~(11)~~ 11. "Person" means a natural person, partnership, domestic or  
39 foreign limited partnership, trust, estate, association, ~~or~~ corporation OR  
40 ENTITY.

41 ~~(12)~~ 12. "State" means a state, territory or possession of the United  
42 States, the District of Columbia or the Commonwealth of Puerto Rico.

1           Sec. 4. Section 29-302, Arizona Revised Statutes, is amended to read:  
2           29-302. Name

3           The name of each limited partnership as set forth in its certificate  
4 of limited partnership:

5           ~~(1)~~ 1. Shall contain ~~without abbreviation~~ the words "limited  
6 partnership" OR THE INITIALS "L.P." OR "LP", IN UPPER OR LOWER CASE;

7           ~~(2)~~ 2. May not contain the name of a limited partner unless:

8           ~~(i)~~ (a) It is also the name of a general partner or the corporate  
9 name of a corporate general partner; or

10           ~~(ii)~~ (b) The business of the limited partnership had been carried on  
11 under that name before the admission of that limited partner; AND

12           ~~(3)~~ ~~May not contain any word or phrase indicating or implying that it~~  
13 ~~is organized other than for a purpose stated in its certificate of limited~~  
14 ~~partnership.~~

15           ~~(4)~~ 3. May not be the same as, or deceptively similar to, the name  
16 of any corporation or limited partnership organized under the laws of this  
17 state or licensed or registered as a foreign corporation or limited  
18 partnership in this state.

19           Sec. 5. Section 29-303, Arizona Revised Statutes, is amended to read:  
20           29-303. Reservation of name

21           ~~(a)~~ A. The exclusive right to the use of a name may be reserved by:

22           ~~(1)~~ 1. Any person intending to organize a limited partnership under  
23 this act and to adopt that name;

24           ~~(2)~~ 2. Any domestic limited partnership or any foreign limited  
25 partnership registered in this state which, in either case, intends to adopt  
26 that name;

27           ~~(3)~~ 3. Any foreign limited partnership intending to register in this  
28 state and adopt that name; and

29           ~~(4)~~ 4. Any person intending to organize a foreign limited partnership  
30 and intending to have it ~~register~~ REGISTERED in this state and adopt that  
31 name.

32           ~~(b)~~ B. The reservation shall be made by filing with the secretary of  
33 state an application, executed by the applicant, to reserve a specified name.  
34 If the secretary of state finds that the name is available for use by a  
35 domestic or foreign limited partnership, he shall reserve the name for the  
36 exclusive use of the applicant for a period of one hundred twenty days. Once  
37 having so reserved a name, the same applicant may not again reserve the same  
38 name until more than sixty days after the expiration of the last one hundred  
39 twenty day period for which that applicant reserved that name. The right to  
40 the exclusive use of a reserved name may be transferred to any other person  
41 by filing in the office of the secretary of state a notice of the transfer,  
42 executed by the applicant for whom the name was reserved and specifying the  
43 name and address of the transferee.

44           Sec. 6. Section 29-304, Arizona Revised Statutes, is amended to read:

1           29-304. Specified office and agent

2           A. Each limited partnership shall continuously maintain in this state:

3           ~~(1)~~ 1. An office, which may but need not be a place of its business  
4 in this state, at which shall be kept the records required by section 29-305  
5 to be maintained; and

6           ~~(2)~~ 2. An agent for service of process on the limited partnership,  
7 which agent ~~must~~ SHALL be an individual resident of this state, a domestic  
8 corporation or a foreign corporation authorized to do business in this state.  
9 A STATUTORY AGENT OF A LIMITED PARTNERSHIP MAY RESIGN AS AGENT BY DELIVERING  
10 A WRITTEN NOTICE TO THE SECRETARY OF STATE AND MAILING A COPY OF THE NOTICE  
11 TO THE PARTNERSHIP AT ITS LAST KNOWN ADDRESS. THE APPOINTMENT OF THE AGENT  
12 TERMINATES THIRTY DAYS AFTER RECEIPT OF THE NOTICE BY THE SECRETARY OF STATE  
13 OR ON THE APPOINTMENT OF A NEW STATUTORY AGENT, WHICHEVER OCCURS FIRST.

14           B. IF A LIMITED PARTNERSHIP FAILS TO APPOINT OR MAINTAIN AN AGENT FOR  
15 SERVICE OF PROCESS IN THIS STATE OR THE AGENT FOR SERVICE OF PROCESS CANNOT  
16 WITH REASONABLE DILIGENCE BE FOUND AT THE AGENT'S ADDRESS, THE SECRETARY OF  
17 STATE IS AN AGENT OF THE LIMITED PARTNERSHIP ON WHOM PROCESS, NOTICE OR  
18 DEMAND MAY BE SERVED.

19           C. IF THE SECRETARY OF STATE ACCEPTS SERVICE OF PROCESS, NOTICE OR  
20 DEMAND PURSUANT TO SUBSECTION B OF THIS SECTION, THE SECRETARY OF STATE SHALL  
21 FORWARD BY CERTIFIED MAIL, THE SUMMONS AND THE COMPLAINT TO THE LIMITED  
22 PARTNERSHIP AT THE ADDRESS ON FILE WITH THE SECRETARY OF STATE AT THE TIME  
23 OF SERVICE.

24           D. THE SECRETARY OF STATE IS NOT LIABLE FOR ANY DAMAGES INCURRED BY  
25 THE LIMITED PARTNERSHIP IF THE LIMITED PARTNERSHIP DOES NOT RECEIVE THE  
26 SUMMONS AND COMPLAINT.

27           Sec. 7. Section 29-305, Arizona Revised Statutes, is amended to read:

28           29-305. Records to be kept

29           A. Each limited partnership shall keep at the office referred to in  
30 section 29-304, paragraph ~~(1)~~ 1 the following:

31           ~~(1)~~ 1. A current list of the full name and last known business  
32 address of each partner ~~set forth~~ SEPARATELY IDENTIFYING THE GENERAL PARTNERS  
33 IN ALPHABETICAL ORDER AND THE LIMITED PARTNERS in alphabetical order— ;

34           ~~(2)~~ 2. A copy of the certificate of limited partnership and all  
35 certificates of amendment thereto, together with executed copies of any  
36 powers of attorney pursuant to which any certificate has been executed— ;

37           ~~(3)~~ 3. Copies of the limited partnership's federal, state and local  
38 income tax returns and reports, if any, for the three most recent years—  
39 and ;

40           ~~(4)~~ 4. Copies of any then effective written partnership agreements  
41 and of any financial statements of the limited partnership for the three most  
42 recent years— ; AND

43           5. UNLESS CONTAINED IN A WRITTEN PARTNERSHIP AGREEMENT, A WRITING  
44 SETTING OUT:

1 (a) THE AMOUNT OF CASH AND A DESCRIPTION AND STATEMENT OF THE AGREED  
2 VALUE OF THE OTHER PROPERTY OR SERVICES CONTRIBUTED BY EACH PARTNER AND THAT  
3 EACH PARTNER HAS AGREED TO CONTRIBUTE;

4 (b) THE TIMES AT WHICH OR EVENTS ON THE HAPPENING OF WHICH ANY  
5 ADDITIONAL CONTRIBUTIONS AGREED TO BE MADE BY EACH PARTNER ARE TO BE MADE;

6 (c) ANY RIGHT OF A PARTNER TO RECEIVE, OR OF A GENERAL PARTNER TO  
7 MAKE, DISTRIBUTIONS TO A PARTNER THAT INCLUDE A RETURN OF ALL OR ANY OF THE  
8 PARTNER'S CONTRIBUTION; AND

9 (d) ANY EVENTS ON THE HAPPENING OF WHICH THE LIMITED PARTNERSHIP IS  
10 TO BE DISSOLVED AND ITS AFFAIRS WOUND UP.

11 B. ~~These records~~ RECORDS KEPT UNDER THIS SECTION are subject to  
12 inspection and copying at the reasonable request, and at the expense, of any  
13 partner during ordinary business hours.

14 Sec. 8. Section 29-308, Arizona Revised Statutes, is amended to read:  
15 29-308. Certificate of limited partnership

16 ~~(a)~~ A. In order to form a limited partnership ~~two or more persons~~  
17 ~~must execute~~ a certificate of limited partnership. ~~The certificate shall be~~  
18 SHALL BE EXECUTED AND filed in the office of the secretary of state. ~~and~~ THE  
19 CERTIFICATE SHALL set forth:

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

21 ~~(2)~~ ~~The general character of its business;~~

22 ~~(3)~~ 2. The address of the office and the name and address of the  
23 agent for service of process required to be maintained by section 29-304;

24 ~~(4)~~ 3. The name and the business address of each GENERAL partner;  
25 ~~(specifying separately the general partners and limited partners);~~

26 ~~(5)~~ ~~The amount of cash and a description and statement of the agreed~~  
27 ~~value of the other property or services contributed by each partner and which~~  
28 ~~each partner has agreed to contribute in the future;~~

29 ~~(6)~~ ~~The times at which or events on the happening of which any~~  
30 ~~additional contributions agreed to be made by each partner are to be made;~~

31 ~~(7)~~ ~~Any power of a limited partner to grant the right to become a~~  
32 ~~limited partner to an assignee of any part of his partnership interest, and~~  
33 ~~the terms and conditions of the power;~~

34 ~~(8)~~ ~~If agreed upon, the time at which or the events on the happening~~  
35 ~~of which a partner may terminate his membership in the limited partnership~~  
36 ~~and the amount of, or the method of determining, the distribution to which~~  
37 ~~he may be entitled respecting his partnership interest, and the terms and~~  
38 ~~conditions of the termination and distribution;~~

39 ~~(9)~~ ~~Any right of a partner to receive distributions of property,~~  
40 ~~including cash from the limited partnership;~~

41 ~~(10)~~ ~~Any right of a partner to receive, or of a general partner to~~  
42 ~~make, distributions to a partner which include a return of all or any part~~  
43 ~~of the partner's contribution;~~

1           ~~(11) Any time at which or events upon the happening of which the~~  
2 ~~limited partnership is to be dissolved and its affairs wound up;~~

3           ~~(12) Any right of the remaining general partners to continue the~~  
4 ~~business on the happening of an event of withdrawal of a general partner; and~~

5           4. THE LATEST DATE ON WHICH THE LIMITED PARTNERSHIP IS TO DISSOLVE;  
6 AND

7           ~~(13)~~ 5. Any other matters the GENERAL partners determine to include  
8 therein.

9           ~~(b)~~ B. A limited partnership is formed at the time of the filing of  
10 the certificate of limited partnership in the office of the secretary of  
11 state or at any later time specified in the certificate of limited  
12 partnership if, in either case, there has been substantial compliance with  
13 the requirements of this section.

14           Sec. 9. Section 29-309, Arizona Revised Statutes, is amended to read:  
15           29-309. Amendment to certificate; restatement

16           ~~(a)~~ A. A certificate of limited partnership is amended by filing a  
17 certificate of amendment thereto in the office of the secretary of state. The  
18 certificate shall set forth:

19           ~~(1)~~ 1. The name of the limited partnership;

20           ~~(2)~~ 2. The date of filing the certificate of limited partnership; and

21           ~~(3)~~ 3. The amendment to the certificate of limited partnership.

22           ~~(b)~~ B. Within thirty days after the happening of any of the following  
23 events, an amendment to a certificate of limited partnership reflecting the  
24 occurrence of the event or events shall be filed:

25           ~~(1) A change in the amount or character of the contribution of any~~  
26 ~~partner, or in any partner's obligation to make a contribution;~~

27           ~~(2)~~ 1. The admission of a new GENERAL partner;

28           ~~(3)~~ 2. The withdrawal of a GENERAL partner; or

29           ~~(4)~~ 3. The continuation of the business under section 29-344 after  
30 an event of withdrawal of a general partner.

31           ~~(c)~~ C. A general partner who becomes aware that any statement in a  
32 certificate of limited partnership was false when made or that any  
33 arrangements or other facts described have changed, making the certificate  
34 inaccurate in any respect, shall promptly amend the certificate. ~~but an~~  
35 ~~amendment to show a change of address of a limited partner need be filed only~~  
36 ~~once every twelve months.~~

37           ~~(d)~~ D. A certificate of limited partnership may be amended at any  
38 time for any other proper purpose the general partners determine.

39           ~~(e)~~ E. No person has any liability because an amendment to a  
40 certificate of limited partnership has not been filed to reflect the  
41 occurrence of any event referred to in subsection ~~(b)~~ B of this section if  
42 the amendment is filed within the thirty day period specified in subsection  
43 ~~(b)~~ B OF THIS SECTION.

1           ~~(f)~~ F. The provisions of a limited partnership's certificate which  
2 are then in effect and operative may be integrated into a single instrument,  
3 and at the same time its certificate may also be further amended by the  
4 execution and filing of a restated certificate of limited partnership. An  
5 amendment effected in connection with the restatement and integration of the  
6 certificate of limited partnership is subject to any other provision of this  
7 article, not inconsistent with this subsection, which would apply if a  
8 certificate of amendment were filed to effect such amendments. A restated  
9 certificate of limited partnership shall be specifically designated in its  
10 heading and shall state, either in the heading or in an introductory  
11 paragraph, the limited partnership's present name, and, if it has been  
12 changed, all of its former names and the date of the filing of its original  
13 certificate of limited partnership.

14           G. A RESTATED CERTIFICATE OF LIMITED PARTNERSHIP MAY BE EXECUTED AND  
15 FILED IN THE SAME MANNER AS A CERTIFICATE OF AMENDMENT.

16           Sec. 10. Section 29-310, Arizona Revised Statutes, is amended to read:  
17           29-310. Cancellation of certificate

18           A certificate of limited partnership shall be cancelled upon the  
19 dissolution and the commencement of winding up of the partnership or at any  
20 other time there are no limited partners. A certificate of cancellation  
21 shall be filed in the office of the secretary of state and set forth:

22           ~~(1)~~ 1. The name of the limited partnership;

23           ~~(2)~~ 2. The date of filing of its certificate of limited partnership;

24           ~~(3)~~ 3. The reason for filing the certificate of cancellation;

25           ~~(4)~~ 4. The effective date, which shall be a date certain, of  
26 cancellation if it is not to be effective upon the filing of the certificate;  
27 and

28           ~~(5)~~ 5. Any other information the general partners filing the  
29 certificate determine.

30           Sec. 11. Section 29-311, Arizona Revised Statutes, is amended to read:  
31           29-311. Execution of certificates

32           ~~(a)~~ A. Each certificate required by this article to be filed in the  
33 office of the secretary of state shall be executed in the following manner:

34           ~~(1)~~ 1. An original certificate of limited partnership ~~must~~ SHALL be  
35 signed by all GENERAL partners ~~named therein~~;

36           ~~(2)~~ 2. A certificate of amendment or a restated certificate of  
37 limited partnership ~~must~~ SHALL be signed by at least one general partner and  
38 by each other GENERAL partner designated in the certificate as a new GENERAL  
39 partner ~~or whose contribution is described as having been increased~~; and

40           ~~(3)~~ 3. A certificate of cancellation ~~must~~ SHALL be signed by all  
41 general partners.

42           ~~(b)~~ B. Any person may sign a certificate by an attorney-in-fact, but  
43 a power of attorney to sign a certificate relating to the admission, ~~or~~

1 ~~increased contribution, of a GENERAL partner must~~ SHALL specifically describe  
2 the admission ~~or increase.~~

3 ~~(e)~~ C. The execution of a certificate by a general partner  
4 constitutes an affirmation under the penalties of perjury that the facts  
5 stated therein are true.

6 Sec. 12. Section 29-312, Arizona Revised Statutes, is amended to read:

7 29-312. Execution by judicial act

8 If a person required by section 29-311 to execute ~~a~~ ANY certificate  
9 ~~of amendment or cancellation or restated certificate~~ of limited partnership  
10 fails or refuses to do so, any other partner, ~~and any assignee of a~~  
11 ~~partnership interest,~~ PERSON who is adversely affected by the failure or  
12 refusal, ~~may petition the superior court in the county where the partnership~~  
13 office is located to direct the ~~amendment, cancellation or restatement~~  
14 EXECUTION OF THE CERTIFICATE. If the court finds that ~~the amendment,~~  
15 ~~cancellation or restatement~~ IT is proper FOR THE CERTIFICATE TO BE EXECUTED  
16 and that any person so designated has failed or refused to execute the  
17 certificate, it shall order the secretary of state to record an appropriate  
18 certificate ~~of amendment or cancellation or restated certificate of limited~~  
19 partnership.

20 Sec. 13. Section 29-313, Arizona Revised Statutes, is amended to read:

21 29-313. Filing in office of secretary of state

22 ~~(a)~~ A. Two signed copies of the certificate of limited partnership  
23 and of any restated certificate of limited partnership or any certificates  
24 of amendment or cancellation or of any judicial decree of amendment or  
25 cancellation shall be delivered to the secretary of state. A person who  
26 executes a certificate as an agent or fiduciary need not exhibit evidence of  
27 his authority as a prerequisite to filing. Unless the secretary of state  
28 finds that any certificate does not conform to the filing provisions of this  
29 chapter, upon receipt of all filing fees required by law, he shall:

30 ~~(1)~~ 1. Endorse on each duplicate original the word "filed" and the  
31 day, month and year of the filing thereof;

32 ~~(2)~~ 2. File one duplicate original or a copy of the original in his  
33 office; and

34 ~~(3)~~ 3. Return the other duplicate original to the person who filed  
35 it or his representative.

36 ~~(b)~~ B. Upon the filing of a certificate of amendment or judicial  
37 decree of amendment or restated certificate of limited partnership containing  
38 an amendment in the office of the secretary of state, the certificate of  
39 limited partnership shall be amended as set forth therein, and upon the  
40 effective date of a certificate of cancellation or a judicial decree thereof,  
41 the certificate of limited partnership is cancelled.

42 ~~(c)~~ C. If the secretary of state is unable to complete the  
43 determination required by ~~subdivision (a) of this section~~ SUBSECTION A on the  
44 day a certificate is delivered for filing, the certificate shall be deemed

1 to have been filed on the day of delivery if the secretary of state  
2 subsequently determines that:

3 ~~(1)~~ 1. The certificate as delivered conforms to the filing provision  
4 of this chapter; or

5 ~~(2)~~ 2. Within twenty days after notification of nonconformance is  
6 given by the secretary of state, the certificate is brought into conformance.

7 ~~(d)~~ D. If a certificate required to be filed pursuant to this chapter  
8 is incorporated within a limited partnership agreement or a restated or  
9 amended limited partnership agreement, and not set forth separately, a  
10 written statement shall also be delivered specifying where the applicable  
11 information required for the filing of the certificate is located in the  
12 document.

13 Sec. 14. Section 29-314, Arizona Revised Statutes, is amended to read:  
14 29-314. Liability for false statement in certificate

15 If any certificate of limited partnership or certificate of amendment,  
16 restated certificate of limited partnership or certificate of cancellation  
17 contains a false statement, one who suffers loss by reliance on the statement  
18 may recover damages for the loss from:

19 ~~(1)~~ 1. Any person who executes the certificate, or causes another to  
20 execute it on his behalf, and knew, and any general partner who knew or  
21 should have known, the statement to be false at the time the certificate was  
22 executed; and

23 ~~(2)~~ 2. Any general partner who thereafter knows or should have known  
24 that any arrangement or other fact described in the certificate has changed,  
25 making the statement inaccurate in any respect within a sufficient time  
26 before the statement was relied upon reasonably to have enabled that general  
27 partner to cancel or amend the certificate, or to file a petition for ~~its~~  
28 ~~cancellation or amendment~~ EXECUTION OR CERTIFICATE under section 29-312.

29 Sec. 15. Section 29-315, Arizona Revised Statutes, is amended to read:  
30 29-315. Scope of notice

31 The fact that a certificate of limited partnership is on file in the  
32 office of the secretary of state is notice that the partnership is a limited  
33 partnership and the persons designated therein as ~~limited~~ GENERAL partners  
34 are ~~limited~~ GENERAL partners, but it is not notice of any other fact.

35 Sec. 16. Section 29-316, Arizona Revised Statutes, is amended to read:  
36 29-316. Delivery of certificates to limited partners

37 Upon the return by the secretary of state pursuant to section 29-313  
38 of a certificate marked "filed", the general partners shall promptly deliver  
39 or mail a copy of the certificate OF LIMITED PARTNERSHIP AND EACH CERTIFICATE  
40 OF AMENDMENT OR CANCELLATION to each limited partner unless the partnership  
41 agreement provides otherwise.

42 Sec. 17. Section 29-317, Arizona Revised Statutes, is amended to read:  
43 29-317. Admission of limited partners

44 A. A PERSON BECOMES A LIMITED PARTNER:

1           1. AT THE TIME THE LIMITED PARTNERSHIP IS FORMED; OR  
2           2. AT ANY LATER TIME SPECIFIED IN THE RECORDS OF THE LIMITED  
3 PARTNERSHIP FOR BECOMING A LIMITED PARTNER.

4           ~~(a)~~ B. After the filing of a limited partnership's original  
5 certificate of limited partnership, a person may be admitted as an additional  
6 limited partner:

7           ~~(1)~~ 1. In the case of a person acquiring a partnership interest  
8 directly from the limited partnership, upon the compliance with the  
9 partnership agreement or, if the partnership agreement does not so provide,  
10 upon the written consent of all partners; and

11           ~~(2)~~ 2. In the case of an assignee of a partnership interest of a  
12 partner who has the power, as provided in section 29-342, to grant the  
13 assignee the right to become a limited partner, upon the exercise of that  
14 power and compliance with any conditions limiting the grant or exercise of  
15 the power.

16           ~~(b)~~ In each case under subsection (a), the person acquiring the  
17 partnership interest becomes a limited partner only upon amendment of the  
18 certificate of limited partnership reflecting that fact.

19           Sec. 18. Section 29-319, Arizona Revised Statutes, is amended to read:  
20 29-319. Liability to third parties

21           ~~(a)~~ A. Except as provided in subsection ~~(d)~~ D OF THIS SECTION, a  
22 limited partner is not liable for the obligations of a limited partnership  
23 unless he is also a general partner or, in addition to the exercise of his  
24 rights and powers as a limited partner, he ~~takes part~~ PARTICIPATES in the  
25 control of the business. However, if the limited partner's participation  
26 PARTNER PARTICIPATES in the control of the business ~~is not substantially the~~  
27 ~~same as the exercise of the powers of a general partner~~, he is liable only  
28 to persons who transact business with the limited partnership ~~with actual~~  
29 ~~knowledge of his participation in control~~ REASONABLY BELIEVING, BASED ON THE  
30 LIMITED PARTNER'S CONDUCT, THAT THE LIMITED PARTNER IS A GENERAL PARTNER.

31           ~~(b)~~ B. A limited partner does not participate in the control of the  
32 business within the meaning of subsection ~~(a)~~ A OF THIS SECTION solely by  
33 doing one or more of the following:

34           ~~(1)~~ 1. Being a contractor for or an agent or employee of the limited  
35 partnership or of a general partner OR BEING AN OFFICER, DIRECTOR OR  
36 SHAREHOLDER OF A GENERAL PARTNER THAT IS A CORPORATION OR BEING A MANAGER OR  
37 MEMBER OF A GENERAL PARTNER THAT IS A LIMITED LIABILITY COMPANY;

38           ~~(2)~~ 2. Consulting with and advising a general partner with respect  
39 to the business of the limited partnership;

40           ~~(3)~~ 3. Acting as surety for the limited partnership OR GUARANTEEING  
41 OR ASSUMING ONE OR MORE SPECIFIC OBLIGATIONS OF THE LIMITED PARTNERSHIP;

42           ~~(4)~~ Approving or disapproving an amendment to the partnership  
43 agreement; or

44           ~~(5)~~ Voting on one or more of the following matters:

1           4. TAKING ANY ACTION REQUIRED OR PERMITTED BY LAW TO BRING OR PURSUE  
2 A DERIVATIVE ACTION IN THE RIGHT OF A LIMITED PARTNERSHIP;

3           5. REQUESTING OR ATTENDING A MEETING OF PARTNERS;

4           6. PROPOSING, APPROVING OR DISAPPROVING, BY VOTING OR OTHERWISE, ONE  
5 OR MORE OF THE FOLLOWING MATTERS:

6           ~~(i)~~ (a) The dissolution and winding up of the limited partnership;

7           ~~(ii)~~ (b) The sale, exchange, lease, mortgage, pledge or other  
8 transfer of all or substantially all of the assets of the limited partnership  
9 ~~other than in the ordinary course of its business;~~

10          ~~(iii)~~ (c) The incurrence of indebtedness by the limited partnership  
11 other than in the ordinary course of its business;

12          ~~(iv)~~ (d) A change in the nature of the business; ~~or~~

13          ~~(v)~~ (e) The ADMISSION OR removal of a general partner;

14          (f) THE ADMISSION OR REMOVAL OF A LIMITED PARTNER;

15          (g) A TRANSACTION INVOLVING AN ACTUAL OR POTENTIAL CONFLICT OF  
16 INTEREST BETWEEN A GENERAL PARTNER AND THE LIMITED PARTNERSHIP OR THE LIMITED  
17 PARTNERS;

18          (h) AN AMENDMENT TO THE PARTNERSHIP AGREEMENT OR CERTIFICATE OF  
19 LIMITED PARTNERSHIP; OR

20          (i) MATTERS RELATED TO THE BUSINESS OF THE LIMITED PARTNERSHIP NOT  
21 OTHERWISE ENUMERATED IN THIS SUBSECTION, WHICH THE PARTNERSHIP AGREEMENT  
22 STATES IN WRITING MAY BE SUBJECT TO THE APPROVAL OR DISAPPROVAL OF LIMITED  
23 PARTNERS;

24           7. WINDING UP THE LIMITED PARTNERSHIP PURSUANT TO SECTION 29-346; OR

25           8. EXERCISING ANY RIGHT OR POWER PERMITTED TO LIMITED PARTNERS UNDER  
26 THIS CHAPTER AND NOT SPECIFICALLY ENUMERATED IN THIS SUBSECTION.

27          ~~(c)~~ C. The enumeration in subsection ~~(b)~~ B OF THIS SECTION does not  
28 mean that the possession or exercise of any other powers by a limited partner  
29 constitutes participation by him in the business of the limited partnership.

30          ~~(d)~~ D. A limited partner who knowingly permits his name to be used  
31 in the name of the limited partnership, except under circumstances permitted  
32 by section 29-302, paragraph ~~(2)~~ 2 is liable to creditors who extend credit  
33 to the limited partnership without actual knowledge that the limited partner  
34 is not a general partner.

35          Sec. 19. Section 29-320, Arizona Revised Statutes, is amended to read:

36          29-320. Person erroneously believing himself limited partner

37          ~~(a)~~ A. Except as provided in subsection ~~(b)~~ B, a person who makes a  
38 contribution to a business enterprise and erroneously but in good faith  
39 believes that he has become a limited partner in the enterprise is not a  
40 general partner in the enterprise and is not bound by its obligations by  
41 reason of making the contribution, receiving distributions from the  
42 enterprise or exercising any rights of a limited partner if, on ascertaining  
43 the mistake, he:

1           ~~(1)~~ 1. Causes an appropriate certificate of limited partnership or  
2 a certificate of amendment to be executed and filed; or

3           ~~(2)~~ 2. Withdraws from future equity participation in the enterprise  
4 by executing and filing in the office of the secretary of state a certificate  
5 declaring withdrawal under this section.

6           ~~(b)~~ B. A person who makes a contribution of the kind described in  
7 subsection ~~(a)~~ A is liable as a general partner to any third party who  
8 transacts business with the enterprise:

9           ~~(1)~~ 1. Before the person withdraws and an appropriate certificate is  
10 filed to show withdrawal, ; or

11           ~~(2)~~ 2. Before an appropriate certificate is filed to show his status  
12 as a limited partner and, in the case of an amendment, after expiration of  
13 the thirty day period for filing an amendment relating to the person as a  
14 limited partner under section 29-309 THAT HE IS NOT A GENERAL PARTNER, but  
15 in either case only if the third party actually believed in good faith that  
16 the person was a general partner at the time of the transaction.

17           Sec. 20. Section 29-321, Arizona Revised Statutes, is amended to read:

18           29-321. Information

19           Each limited partner has the right to:

20           ~~(1)~~ 1. Inspect and copy any of the partnership records required to  
21 be maintained by section 29-305; and

22           ~~(2)~~ 2. Obtain from the general partners from time to time upon  
23 reasonable demand:

24           ~~(i)~~ (a) True and full information regarding the state of the business  
25 and financial condition of the limited partnership, ;

26           ~~(ii)~~ (b) Promptly after becoming available, a copy of the limited  
27 partnership's federal, state and local income tax returns for each year, ;  
28 and

29           ~~(iii)~~ (c) Other information regarding the affairs of the limited  
30 partnership as is just and reasonable.

31           Sec. 21. Section 29-322, Arizona Revised Statutes, is amended to read:

32           29-322. Admission of additional general partners

33           After the filing of a limited partnership's original certificate of  
34 limited partnership, additional general partners may be admitted ~~only~~ AS  
35 PROVIDED IN WRITING IN THE PARTNERSHIP AGREEMENT OR, IF THE PARTNERSHIP  
36 AGREEMENT DOES NOT PROVIDE IN WRITING FOR THE ADMISSION OF ADDITIONAL GENERAL  
37 PARTNERS, with the ~~specific~~ written consent of ~~each partner~~ ALL PARTNERS.

38           Sec. 22. Section 29-323, Arizona Revised Statutes, is amended to read:

39           29-323. Events of withdrawal

40           Except as approved by the specific written consent of all partners at  
41 the time, a person ceases to be a general partner of a limited partnership  
42 upon the happening of any of the following events:

43           ~~(1)~~ 1. The general partner withdraws from the limited partnership as  
44 provided in section 29-332;

1           ~~(2)~~ 2. The general partner ceases to be a member of the limited  
2 partnership as provided in section 29-340;

3           ~~(3)~~ 3. The general partner is removed as a general partner in  
4 accordance with the partnership agreement;

5           ~~(4)~~ 4. Unless otherwise provided IN WRITING in the ~~certificate of~~  
6 ~~limited~~ partnership AGREEMENT, the general partner:

7           ~~(i)~~ (a) Makes an assignment for the benefit of creditors;

8           ~~(ii)~~ (b) Files a voluntary petition in bankruptcy;

9           ~~(iii)~~ (c) Is adjudicated a bankrupt or insolvent;

10          ~~(iv)~~ (d) Files a petition or answer seeking for himself any  
11 reorganization, arrangement, composition, readjustment, liquidation,  
12 dissolution or similar relief under any statute, law or regulation;

13          ~~(v)~~ (e) Files an answer or other pleading admitting or failing to  
14 contest the material allegations of a petition filed against him in any  
15 proceeding of this nature; or

16          ~~(vi)~~ (f) Seeks, consents to or acquiesces in the appointment of a  
17 trustee, receiver or liquidator of the general partner or of all or any  
18 substantial part of his properties;

19          ~~(5)~~ 5. Unless otherwise provided IN WRITING in the ~~certificate of~~  
20 ~~limited~~ partnership AGREEMENT, one hundred twenty days after the commencement  
21 of any proceeding against the general partner seeking reorganization,  
22 arrangement, composition, readjustment, liquidation, dissolution or similar  
23 relief under any statute, law or regulation, the proceeding has not been  
24 dismissed, or if within ninety days after the appointment without his consent  
25 or acquiescence of a trustee, receiver or liquidator of the general partner  
26 or of all or any substantial part of his properties, the appointment is not  
27 vacated or stayed or within ninety days after the expiration of any such  
28 stay, the appointment is not vacated;

29          ~~(6)~~ 6. In the case of a general partner who is a natural person ;

30          ~~(i)~~ (a) His death; or

31          ~~(ii)~~ (b) The entry by a court of competent jurisdiction adjudicating  
32 him incompetent to manage his person or his estate;

33          ~~(7)~~ 7. In the case of a general partner who is acting as a general  
34 partner by virtue of being a trustee of a trust, the termination of the trust  
35 but not merely the substitution of a new trustee;

36          ~~(8)~~ 8. In the case of a general partner that is a separate  
37 partnership, the dissolution and commencement of winding up of the separate  
38 partnership;

39          ~~(9)~~ 9. In the case of a general partner that is a corporation, the  
40 filing of ~~a certificate~~ ARTICLES of dissolution, ~~or its equivalent,~~ for the  
41 corporation or the revocation of its charter; or

42          ~~(10)~~ 10. In the case of an estate, the distribution by the fiduciary  
43 of the estate's entire interest in the partnership.

1           Sec. 23. Section 29-324, Arizona Revised Statutes, is amended to read:

2           29-324. General powers and liabilities

3           ~~(a)~~ A. Except as provided in this chapter or in the partnership  
4 agreement, a general partner of a limited partnership has the rights and  
5 powers and is subject to the restrictions of a partner in a partnership  
6 without limited partners.

7           ~~(b)~~ B. Except as provided in this chapter, a general partner of a  
8 limited partnership has the liabilities of a partner in a partnership without  
9 limited partners to persons other than the partnership and the other  
10 partners.

11           ~~(c)~~ C. Except as provided in this chapter or in the partnership  
12 agreement, a general partner of a limited partnership has the liabilities of  
13 a partner in a partnership without limited partners to the partnership and  
14 to the other partners.

15           Sec. 24. Section 29-328, Arizona Revised Statutes, is amended to read:

16           29-328. Liability for contribution

17           A. A PROMISE BY A LIMITED PARTNER TO CONTRIBUTE TO THE LIMITED  
18 PARTNERSHIP IS NOT ENFORCEABLE UNLESS SET OUT IN A WRITING AND SIGNED BY THE  
19 LIMITED PARTNER.

20           ~~(a)~~ B. Except as provided in the ~~certificate of limited~~ partnership  
21 AGREEMENT, a partner is obligated to the limited partnership to perform any  
22 ENFORCEABLE promise to contribute cash or property or to perform services,  
23 even if he is unable to perform because of death, disability or any other  
24 reason. If a partner does not make the required contribution of property or  
25 services, he is obligated at the option of the limited partnership to  
26 contribute cash equal to that portion of the value as stated in the  
27 ~~certificate of limited~~ partnership RECORDS REQUIRED TO BE KEPT PURSUANT TO  
28 SECTION 29-305 of the stated contribution that has not been made.

29           ~~(b)~~ C. Unless otherwise provided in the partnership agreement, the  
30 obligation of a partner to make a contribution or return money or other  
31 property paid or distributed in violation of this chapter may be compromised  
32 only by consent of all the partners. Notwithstanding the compromise, a  
33 creditor of a limited partnership who extends credit, ~~or whose claim arises,~~  
34 OTHERWISE ACTS IN RELIANCE ON THAT OBLIGATION after the ~~filing of the~~  
35 ~~certificate of limited partnership or an amendment thereto~~ PARTNER SIGNS A  
36 WRITING which, ~~in either case,~~ reflects the obligation, ~~and before the~~  
37 amendment or cancellation thereof to reflect the compromise, ~~may enforce the~~  
38 original obligation.

39           Sec. 25. Section 29-329, Arizona Revised Statutes, is amended to read:

40           29-329. Sharing of profits and losses

41           The profits and losses of a limited partnership shall be allocated  
42 among the partners, and among classes of partners, in the manner provided IN  
43 WRITING in the partnership agreement. If the partnership agreement does not  
44 so provide IN WRITING, profits and losses shall be allocated on the basis of

1 the value as stated in the ~~certificate of limited~~ partnership RECORDS  
2 REQUIRED TO BE KEPT PURSUANT TO SECTION 29-305 of the contributions made by  
3 each partner to the extent they have been received by the partnership and  
4 have not been returned.

5 Sec. 26. Section 29-330, Arizona Revised Statutes, is amended to read:

6 29-330. Sharing of distributions

7 Distributions of cash or other assets of a limited partnership shall  
8 be allocated among the partners, and among classes of partners, in the manner  
9 provided IN WRITING in the partnership agreement. If the partnership  
10 agreement does not so provide IN WRITING, distributions shall be made on the  
11 basis of the value as stated in the ~~certificate of limited~~ partnership  
12 RECORDS REQUIRED TO BE KEPT PURSUANT TO SECTION 29-305 of the contributions  
13 made by each partner to the extent they have been received by the partnership  
14 and have not been returned.

15 Sec. 27. Section 29-331, Arizona Revised Statutes, is amended to read:

16 29-331. Interim distributions

17 Except as provided in this article, a partner is entitled to receive  
18 distributions from a limited partnership before his withdrawal from the  
19 limited partnership and before the dissolution and winding up thereof--

20 ~~(1)~~ to the extent and at the times or upon the happening of the events  
21 specified in the partnership agreement. ; and

22 ~~(2) If any distribution constitutes a return of any part of his~~  
23 ~~contribution under section 29-338, subsection (b), to the extent and at the~~  
24 ~~times or upon the happening of the events specified in the certificate of~~  
25 ~~limited partnership.~~

26 Sec. 28. Section 29-333, Arizona Revised Statutes, is amended to read:

27 29-333. Withdrawal of limited partner

28 A limited partner may withdraw from a limited partnership at the time  
29 or upon the happening of events specified in ~~the certificate of limited~~  
30 ~~partnership and in accordance with~~ WRITING IN the partnership agreement. If  
31 the ~~certificate~~ AGREEMENT does not specify IN WRITING the time or the events  
32 upon the happening of which a limited partner may withdraw or a definite time  
33 for the dissolution and winding up of the limited partnership, a limited  
34 partner may withdraw upon not less than six months' prior written notice to  
35 each general partner at his address on the books of the limited partnership  
36 at its office in this state.

37 Sec. 29. Section 29-334, Arizona Revised Statutes, is amended to read:

38 29-334. Distribution upon withdrawal

39 A. Except as provided in this article AND IN SUBSECTION B OF THIS  
40 SECTION, upon withdrawal any withdrawing partner is entitled to receive any  
41 distribution to which he is entitled under the partnership agreement and, if  
42 not otherwise provided in the agreement, he is entitled to receive, within  
43 a reasonable time after withdrawal, the fair value of his interest in the

1 limited partnership as of the date of withdrawal based upon his right to  
2 share in distributions from the limited partnership.

3 B. WITH RESPECT TO ANY LIMITED PARTNERSHIP THAT IS FORMED AFTER OR IS  
4 THE SURVIVOR OF A MERGER EFFECTIVE AFTER OCTOBER 31, 1996:

5 1. ON THE WITHDRAWAL OF A LIMITED PARTNER, EXCEPT AS OTHERWISE  
6 PROVIDED IN WRITING IN THE PARTNERSHIP AGREEMENT, THE WITHDRAWN LIMITED  
7 PARTNER AND HIS PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS DO NOT HAVE  
8 THE RIGHT TO RECEIVE ANY DISTRIBUTION BY REASON OF WITHDRAWAL, BUT HAVE ONLY  
9 THE RIGHTS OF AN ASSIGNEE OF THE WITHDRAWN LIMITED PARTNER'S INTEREST IN THE  
10 PARTNERSHIP TO RECEIVE DISTRIBUTIONS WITH RESPECT TO THE LIMITED PARTNER'S  
11 INTEREST DURING ANY CONTINUATION AND DURING AND ON COMPLETION OF ANY WINDING  
12 UP OF THE LIMITED PARTNERSHIP, LESS ANY DAMAGES RECOVERABLE AGAINST THE  
13 WITHDRAWN PARTNER IF THE WITHDRAWAL VIOLATED THE PROVISIONS OF THE  
14 PARTNERSHIP AGREEMENT.

15 2. ON A WITHDRAWAL OF A GENERAL PARTNER WITHOUT RESULTING IN A  
16 DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS, EXCEPT AS OTHERWISE  
17 PROVIDED IN WRITING IN THE PARTNERSHIP AGREEMENT, THE PARTNERSHIP SHALL CAUSE  
18 THE WITHDRAWN GENERAL PARTNER'S INTEREST, IF ANY, IN THE PARTNERSHIP TO BE  
19 PURCHASED FOR A BUYOUT PRICE EQUAL TO THE AMOUNT THAT WOULD HAVE BEEN  
20 DISTRIBUTABLE TO THE WITHDRAWN GENERAL PARTNER UNDER SECTION 29-1077,  
21 SUBSECTION B IF, ON THE DATE OF WITHDRAWAL, THE ASSETS OF THE PARTNERSHIP  
22 WERE SOLD AT A PRICE EQUAL TO THE GREATER OF THE LIQUIDATION VALUE OR THE  
23 VALUE BASED ON A SALE OF THE ENTIRE BUSINESS AS A GOING CONCERN WITHOUT THE  
24 CONTINUING SERVICES OF ANY OF THE PARTNERS AND THE PARTNERSHIP WERE WOUND UP  
25 AS OF THAT DATE. INTEREST SHALL BE PAID FROM THE DATE OF WITHDRAWAL TO THE  
26 DATE OF PAYMENT.

27 (a) DAMAGES FOR WRONGFUL WITHDRAWAL AND ALL OTHER AMOUNTS OWING,  
28 WHETHER OR NOT PRESENTLY DUE, FROM THE WITHDRAWN GENERAL PARTNER TO THE  
29 PARTNERSHIP SHALL BE OFFSET AGAINST THE BUYOUT PRICE. INTEREST SHALL BE PAID  
30 FROM THE DATE THE AMOUNT OWED BECOMES DUE TO THE DATE OF PAYMENT.

31 (b) A PARTNERSHIP SHALL INDEMNIFY A WITHDRAWN GENERAL PARTNER WHOSE  
32 INTEREST IS BEING PURCHASED AGAINST ALL PARTNERSHIP LIABILITIES, WHETHER  
33 INCURRED BEFORE OR AFTER THE WITHDRAWAL, EXCEPT LIABILITIES INCURRED BY AN  
34 ACT OF THE WITHDRAWN GENERAL PARTNER UNDER SECTION 29-1062.

35 (c) IF NO AGREEMENT FOR THE PURCHASE OF A WITHDRAWN GENERAL PARTNER'S  
36 INTEREST IS REACHED WITHIN ONE HUNDRED TWENTY DAYS AFTER A WRITTEN DEMAND FOR  
37 PAYMENT, THE PARTNERSHIP SHALL PAY, OR CAUSE TO BE PAID, IN CASH TO THE  
38 WITHDRAWN GENERAL PARTNER THE AMOUNT, IF ANY, THE PARTNERSHIP ESTIMATES TO  
39 BE THE BUYOUT PRICE AND ACCRUED INTEREST, REDUCED BY ANY OFFSETS AND ACCRUED  
40 INTEREST UNDER SUBDIVISION (a) OF THIS PARAGRAPH.

41 (d) IF A DEFERRED PAYMENT IS AUTHORIZED UNDER SUBDIVISION (c) OF THIS  
42 PARAGRAPH, THE PARTNERSHIP MAY TENDER A WRITTEN OFFER TO PAY THE AMOUNT IT  
43 ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST, REDUCED BY ANY OFFSETS  
44 UNDER SUBDIVISION (a) OF THIS PARAGRAPH, STATING THE TERMS OF PAYMENT, THE

1 AMOUNT AND TYPE OF SECURITY FOR PAYMENT AND THE OTHER TERMS AND CONDITIONS  
2 OF THE OBLIGATION.

3 (e) THE PAYMENT OR TENDER REQUIRED BY SUBDIVISION (c) OR (d) OF THIS  
4 PARAGRAPH SHALL BE ACCOMPANIED BY THE FOLLOWING:

5 (i) A WRITTEN STATEMENT OF PARTNERSHIP ASSETS AND LIABILITIES AS OF  
6 THE DATE OF WITHDRAWAL.

7 (ii) THE LATEST AVAILABLE PARTNERSHIP BALANCE SHEET AND INCOME  
8 STATEMENT, IF ANY.

9 (iii) A WRITTEN EXPLANATION OF HOW THE ESTIMATED AMOUNT OF PAYMENT WAS  
10 CALCULATED.

11 (iv) WRITTEN NOTICE THAT THE PAYMENT IS IN FULL SATISFACTION OF THE  
12 OBLIGATION TO PURCHASE UNLESS WITHIN ONE HUNDRED TWENTY DAYS AFTER THE  
13 WRITTEN NOTICE THE WITHDRAWN GENERAL PARTNER COMMENCES AN ACTION TO DETERMINE  
14 THE BUYOUT PRICE, ANY OFFSETS UNDER SUBDIVISION (a) OF THIS PARAGRAPH OR  
15 OTHER TERMS OF THE OBLIGATION TO PURCHASE.

16 (f) A GENERAL PARTNER WHO WRONGFULLY WITHDRAWS BEFORE THE EXPIRATION  
17 OF A DEFINITE TERM OF THE COMPLETION OF A PARTICULAR UNDERTAKING IS NOT  
18 ENTITLED TO PAYMENT OF ANY PORTION OF THE BUYOUT PRICE UNTIL THE EXPIRATION  
19 OF THE TERM OR COMPLETION OF THE UNDERTAKING, UNLESS THE PARTNER ESTABLISHES  
20 TO THE SATISFACTION OF THE COURT THAT EARLIER PAYMENT WILL NOT CAUSE MATERIAL  
21 HARDSHIP TO THE BUSINESS OF THE PARTNERSHIP. A DEFERRED PAYMENT SHALL BEAR  
22 INTEREST AND SHALL BE ADEQUATELY SECURED BY PARTNERSHIP ASSETS IF AND TO THE  
23 EXTENT REASONABLY PRACTICABLE.

24 (g) A WITHDRAWN GENERAL PARTNER MAY MAINTAIN AN ACTION AGAINST THE  
25 PARTNERSHIP, PURSUANT TO SECTION 29-1035, SUBSECTION B, PARAGRAPH 2,  
26 SUBDIVISION (b), TO DETERMINE THE BUYOUT PRICE OF THAT PARTNER'S INTEREST,  
27 ANY OFFSETS UNDER SUBDIVISION (a) OF THIS PARAGRAPH OR OTHER TERMS OF THE  
28 OBLIGATION TO PURCHASE. THE ACTION SHALL BE COMMENCED WITHIN ONE HUNDRED  
29 TWENTY DAYS AFTER THE PARTNERSHIP TENDERS PAYMENT OR AN OFFER TO PAY OR  
30 WITHIN ONE YEAR AFTER WRITTEN DEMAND FOR PAYMENT IF NO PAYMENT OR OFFER TO  
31 PAY IS TENDERED. THE COURT SHALL DETERMINE THE BUYOUT PRICE OF THE WITHDRAWN  
32 GENERAL PARTNER'S INTEREST, ANY OFFSET DUE UNDER SUBDIVISION (a) OF THIS  
33 PARAGRAPH AND ACCRUED INTEREST AND SHALL ENTER A JUDGMENT FOR ANY ADDITIONAL  
34 PAYMENT OR REFUND. IF DEFERRED PAYMENT IS AUTHORIZED UNDER SUBDIVISION (d)  
35 OF THIS PARAGRAPH, THE COURT SHALL ALSO DETERMINE THE SECURITY FOR PAYMENT  
36 AND OTHER TERMS OF THE OBLIGATION TO PURCHASE. THE COURT MAY ASSESS  
37 REASONABLE ATTORNEY FEES AND THE FEES AND EXPENSES OF APPRAISERS OR OTHER  
38 EXPERTS FOR A PARTY TO THE ACTION, IN AMOUNTS THE COURT FINDS EQUITABLE,  
39 AGAINST A PARTY THAT THE COURT FINDS ACTED ARBITRARILY, VEXATIOUSLY OR NOT  
40 IN GOOD FAITH. THE FINDING MAY BE BASED ON THE PARTNERSHIP'S FAILURE TO  
41 TENDER PAYMENT OR AN OFFER TO PAY OR TO COMPLY WITH SUBDIVISION (e) OF THIS  
42 PARAGRAPH.

1           Sec. 30. Section 29-335, Arizona Revised Statutes, is amended to read:

2           29-335. Distribution in kind

3           Except as provided IN WRITING in the ~~certificate of limited~~ partnership  
4 AGREEMENT, a partner, regardless of the nature of his contribution, has no  
5 right to demand and receive any distribution from a limited partnership in  
6 any form other than cash. Except as provided IN WRITING in the partnership  
7 agreement, a partner may not be compelled to accept a distribution of any  
8 asset in kind from a limited partnership to the extent that the percentage  
9 of the asset distributed to him exceeds a percentage of that asset which is  
10 equal to the percentage in which he shares in distributions from the limited  
11 partnership.

12           Sec. 31. Section 29-338, Arizona Revised Statutes, is amended to read:

13           29-338. Liability on return of contribution

14           ~~(a)~~ A. If a partner has received the return of any part of his  
15 contribution without violation of the partnership agreement or this chapter,  
16 he is liable to the limited partnership for a period of one year thereafter  
17 for the amount of the returned contribution, but only to the extent necessary  
18 to discharge the limited partnership's liabilities to creditors who extended  
19 credit to the limited partnership during the period the contribution was held  
20 by the partnership.

21           ~~(b)~~ B. If a partner has received the return of any part of his  
22 contribution in violation of the partnership agreement or this chapter, he  
23 is liable to the limited partnership for a period of six years thereafter for  
24 the amount of the contribution wrongfully returned.

25           ~~(c)~~ C. A partner receives a return of his contribution to the extent  
26 that a distribution to him reduces his share of the fair value of the net  
27 assets of the limited partnership below the value as set forth in the  
28 ~~certificate of limited~~ partnership RECORDS REQUIRED TO BE KEPT PURSUANT TO  
29 SECTION 29-305 of his contribution which has not been distributed to him.

30           Sec. 32. Section 29-342, Arizona Revised Statutes, is amended to read:

31           29-342. Right of assignee to become limited partner

32           ~~(a)~~ A. An assignee of a partnership interest, including an assignee  
33 of a general partner, may become a limited partner if and to the extent that:

34           ~~(1)~~ 1. The assignor gives the assignee that right in accordance with  
35 authority described in the ~~certificate of limited~~ partnership AGREEMENT,  
36 ; or

37           ~~(2)~~ 2. All other partners consent.

38           ~~(b)~~ B. An assignee who has become a limited partner has, to the  
39 extent assigned, the rights and powers and is subject to the restrictions and  
40 liabilities of a limited partner under the partnership agreement and this  
41 chapter. An assignee who becomes a limited partner also is liable for the  
42 obligations of his assignor to make and return contributions as provided in  
43 ~~article~~ ARTICLES 5 AND 6 OF THIS CHAPTER. However, the assignee is not  
44 obligated for liabilities unknown to the assignee at the time he became a

1 limited partner. and which could not be ascertained from the certificate of  
2 ~~limited partnership.~~

3 ~~(e)~~ C. If an assignee of a partnership interest becomes a limited  
4 partner, the assignor is not released from his liability to the limited  
5 partnership under sections 29-314 and 29-328.

6 Sec. 33. Section 29-344, Arizona Revised Statutes, is amended to read:  
7 29-344. Nonjudicial dissolution

8 A limited partnership is dissolved and its affairs shall be wound up  
9 upon the happening of the first to occur of the following:

10 ~~(1)~~ 1. At the time ~~or~~ SPECIFIED IN THE CERTIFICATE OF LIMITED  
11 PARTNERSHIP;

12 2. Upon the happening of events specified IN WRITING in the  
13 ~~certificate of limited partnership AGREEMENT;~~

14 ~~(2)~~ 3. Written consent of all partners;

15 ~~(3)~~ ~~An event of withdrawal of a general partner unless at the time~~  
16 ~~there is at least one other general partner and the certificate of limited~~  
17 ~~partnership permits the business of the limited partnership to be carried on~~  
18 ~~by the remaining general partner and that partner does so, but the limited~~  
19 ~~partnership is not dissolved and is not required to be wound up by reason of~~  
20 ~~any event of withdrawal if, within ninety days after the withdrawal, all~~  
21 ~~partners agree in writing to continue the business of the limited partnership~~  
22 ~~and to the appointment of one or more additional general partners if~~  
23 ~~necessary or desired, or~~

24 4. AN EVENT OF WITHDRAWAL OF A GENERAL PARTNER UNLESS AT THE TIME OF  
25 WITHDRAWAL:

26 (a) THERE IS AT LEAST ONE OTHER GENERAL PARTNER WHO ELECTS TO CONTINUE  
27 THE BUSINESS OF THE LIMITED PARTNERSHIP AND THIS CONTINUATION DOES NOT  
28 VIOLATE THE PARTNERSHIP AGREEMENT; OR

29 (b) THERE IS NO REMAINING GENERAL PARTNER AND ALL THE LIMITED  
30 PARTNERS, OR A LESSER NUMBER OR PERCENTAGE OF LIMITED PARTNERS SPECIFIED IN  
31 THE PARTNERSHIP AGREEMENT, AGREE TO THE CONTINUATION OF THE BUSINESS OF THE  
32 LIMITED PARTNERSHIP AND TO THE APPOINTMENT OF ONE OR MORE ADDITIONAL GENERAL  
33 PARTNERS WITHIN NINETY DAYS AFTER THE EVENT OF WITHDRAWAL, OR SUCH GREATER  
34 PERIOD AS MAY BE SPECIFIED IN THE PARTNERSHIP AGREEMENT.

35 ~~(4)~~ 5. Entry of a decree of judicial dissolution under section  
36 29-345.

37 Sec. 34. Section 29-345, Arizona Revised Statutes, is amended to read:  
38 29-345. Judicial dissolution

39 On application by or for a partner OR ASSIGNEE OR ANY OTHER SUCCESSOR  
40 IN INTEREST OF A PARTNER, the superior court may decree dissolution of a  
41 limited partnership whenever it is not reasonably practicable to carry on the  
42 business in conformity with the partnership agreement.

1           Sec. 35. Section 29-347, Arizona Revised Statutes, is amended to read:

2           29-347. Distribution of assets

3           Upon the winding up of a limited partnership, the assets shall be  
4 distributed as follows:

5           ~~(1)~~ 1. To creditors, including partners who are creditors, to the  
6 extent permitted by law, in satisfaction of liabilities of the limited  
7 partnership other than liabilities for distributions to partners under  
8 section 29-331 or 29-334;

9           ~~(2)~~ 2. Except as provided in the partnership agreement, to partners  
10 and former partners in satisfaction of liabilities for distributions under  
11 section 29-331 or 29-334; and

12           ~~(3)~~ 3. Except as provided in the partnership agreement, to partners  
13 first for the return of their contributions and secondly respecting their  
14 partnership interests, in the proportions in which the partners share in  
15 distributions.

16           Sec. 36. Section 29-348, Arizona Revised Statutes, is amended to read:

17           29-348. Law governing

18           Subject to the constitution of this state:

19           ~~(1)~~ 1. The laws of the state or other jurisdiction under which a  
20 foreign limited partnership is organized govern its organization and internal  
21 affairs and the liability of its limited partners— ; and

22           ~~(2)~~ 2. A foreign limited partnership may not be denied registration  
23 by reason of any difference between those laws and the laws of this state.

24           Sec. 37. Section 29-349, Arizona Revised Statutes, is amended to read:

25           29-349. Registration

26           Before transacting business in this state, a foreign limited  
27 partnership shall register with the secretary of state. In order to  
28 register, a foreign limited partnership shall submit to the secretary of  
29 state, in duplicate, an application for registration as a foreign limited  
30 partnership, signed and sworn to by a general partner and setting forth:

31           ~~(1)~~ 1. The name of the foreign limited partnership and, if different,  
32 the name under which it proposes to register and transact business in this  
33 state;

34           ~~(2)~~ 2. The state and date of its formation;

35           ~~(3) The general character of the business it proposes to transact in~~  
36 ~~this state;~~

37           ~~(4)~~ 3. The name and address of any agent for service of process on  
38 the foreign limited partnership whom the foreign limited partnership elects  
39 to appoint. The agent ~~must~~ SHALL be an individual resident of this state,  
40 a domestic corporation or a foreign corporation having a place of business  
41 in, and authorized to do business in, this state;

42           ~~(5)~~ 4. A statement that the secretary of state is appointed the agent  
43 of the foreign limited partnership for service of process if no agent has  
44 been appointed under paragraph ~~(4)~~ 3 or, if appointed, the agent's authority

1 has been revoked or if the agent cannot be found or served with the exercise  
2 of reasonable diligence;

3 ~~(6)~~ 5. The address of the office required to be maintained in the  
4 state of its organization by the laws of that state or, if not so required,  
5 of the principal office of the foreign limited partnership; and

6 ~~(7) If the certificate of limited partnership filed in the foreign~~  
7 ~~limited partnership's state of organization is not required to include the~~  
8 ~~names and business addresses of the partners, a list of the names and~~  
9 ~~addresses.~~

10 6. THE NAME AND BUSINESS ADDRESS OF EACH GENERAL PARTNER; AND

11 7. THE ADDRESS OF THE OFFICE AT WHICH IS KEPT A LIST OF THE NAMES AND  
12 ADDRESSES OF THE LIMITED PARTNERS AND THEIR CAPITAL CONTRIBUTIONS AND AN  
13 UNDERTAKING BY THE FOREIGN LIMITED PARTNERSHIP TO KEEP THOSE RECORDS UNTIL  
14 THE FOREIGN LIMITED PARTNERSHIP'S REGISTRATION IN THIS STATE IS CANCELED OR  
15 WITHDRAWN.

16 Sec. 38. Section 29-350, Arizona Revised Statutes, is amended to read:

17 29-350. Issuance of registration

18 ~~(a)~~ A. If the secretary of state finds that an application for  
19 registration conforms to law and all requisite fees have been paid, he shall:

20 ~~(1)~~ 1. Endorse on the application the word "filed", and the month,  
21 day and year of the filing thereof;

22 ~~(2)~~ 2. File in his office a duplicate original of the application;  
23 and

24 ~~(3)~~ 3. Issue a certificate of registration to transact business in  
25 this state.

26 ~~(b)~~ B. The certificate of registration, together with a duplicate  
27 original of the application, shall be returned to the person who filed the  
28 application or his representative.

29 Sec. 39. Section 29-354, Arizona Revised Statutes, is amended to read:

30 29-354. Transaction of business without registration

31 ~~(a)~~ A. A foreign limited partnership transacting business in this  
32 state may not maintain any action, suit or proceeding in any court of this  
33 state until it has registered in this state.

34 ~~(b)~~ B. The failure of a foreign limited partnership to register in  
35 this state does not impair the validity of any contract or act of the foreign  
36 limited partnership or prevent the foreign limited partnership from defending  
37 any action, suit or proceeding in any court of this state.

38 ~~(c)~~ C. A limited partner of a foreign limited partnership is not  
39 liable as a general partner of the foreign limited partnership solely by  
40 reason of having transacted business in this state without registration.

41 ~~(d)~~ D. A foreign limited partnership, by transacting business in this  
42 state without registration, appoints the secretary of state as its agent for  
43 service of process with respect to causes of action arising out of the  
44 transaction of business in this state.

1           ~~(e)~~ E. Without excluding other activities which may not constitute  
2 transacting business in this state, a foreign limited partnership is not  
3 considered to be transacting business in this state, for the purposes of this  
4 chapter, solely because it is carrying on in this state one or more of the  
5 following activities:

6           ~~(1)~~ 1. Maintaining, defending or effecting a settlement of an action  
7 or suit or an administrative or arbitrate proceeding or effecting the  
8 settlement of a claim or dispute.

9           ~~(2)~~ 2. Holding meetings of its partners or carrying on any other  
10 activities concerning its internal affairs.

11           ~~(3)~~ 3. Maintaining a bank account.

12           ~~(4)~~ 4. Maintaining an office or agency for the transfer, exchange and  
13 registration of its securities, or appointing and maintaining trustees or  
14 depositories with relation to its securities.

15           ~~(5)~~ 5. Effecting sales through an independent contractor.

16           ~~(6)~~ 6. Soliciting or receiving orders outside this state in pursuance  
17 of letters, circulars, catalogs or other forms of advertising or solicitation  
18 and accepting such orders outside this state and filling them with goods  
19 shipped into this state.

20           ~~(7)~~ 7. Creating as borrower or lender, or acquiring, indebtedness or  
21 mortgages or other security interests in real or personal property.

22           ~~(8)~~ 8. Securing or collecting debts or enforcing any right in  
23 property securing the debts.

24           ~~(9)~~ 9. Transacting business in interstate commerce.

25           ~~(10)~~ 10. Conducting an isolated transaction completed within a period  
26 of thirty days and not in the course of a number of repeated transactions of  
27 like nature.

28           ~~(f)~~ F. The provisions of this section do not apply in determining the  
29 contacts or activities which may subject a foreign limited partnership to  
30 service of process, suit, taxation or regulation under any other statute of  
31 this state.

32           Sec. 40. Section 29-357, Arizona Revised Statutes, is amended to read:

33           29-357. Proper plaintiff

34           In a derivative action, the plaintiff ~~must~~ SHALL be a partner at the  
35 time of bringing the action and:

36           ~~(1)~~ 1. SHALL HAVE BEEN A PARTNER at the time of the transaction of  
37 which he complains; or

38           ~~(2)~~ 2. His status as a partner ~~had~~ SHALL HAVE devolved upon him by  
39 operation of law or pursuant to the terms of the partnership agreement from  
40 a person who was a partner at the time of the transaction.

41           Sec. 41. Section 29-364, Arizona Revised Statutes, is amended to read:

42           29-364. Application to existing limited partnership; definition

43           ~~(a)~~ A. For purposes of this chapter a limited partnership formed  
44 under any prior statute of this state and in existence on July 24, 1982 is

1 deemed an existing limited partnership. An existing limited partnership and  
2 its partners are governed by this chapter and have the same rights and are  
3 subject to the same limitations, restrictions and liabilities as a limited  
4 partnership formed under this chapter and its partners, except as follows:

5 ~~(1)~~ 1. The partners of an existing limited partnership are not  
6 required to execute and file a certificate of limited partnership under this  
7 chapter in order to maintain continued existence as a limited partnership  
8 under this chapter. As used in this chapter with respect to an existing  
9 limited partnership, unless the context otherwise requires, "certificate of  
10 limited partnership" means the certificate of limited partnership executed  
11 and filed or recorded pursuant to the statute under which such limited  
12 partnership was formed, and the certificate as amended or restated.

13 ~~(2)~~ 2. The provisions of this chapter relating to the events  
14 requiring, and the method of effecting, an amendment or cancellation of a  
15 certificate of limited partnership apply to an existing limited partnership  
16 to the same extent and in the same way such provisions apply to a limited  
17 partnership formed under this chapter, except that the first amendment of the  
18 certificate of limited partnership of an existing limited partnership made  
19 after ~~the effective date of this section~~ JULY 24, 1982 shall be effected by  
20 the execution and filing of a certificate of amendment setting forth all of  
21 the information specified in section 29-308, subsection ~~(a)~~ A. Such  
22 information shall be current as of the date of the filing of the certificate  
23 of amendment which may be in the form of a restated certificate of limited  
24 partnership. The execution and filing of such certificate of amendment shall  
25 not result in the dissolution or in any way adversely affect the continued  
26 existence of the existing limited partnership.

27 ~~(3)~~ 3. An existing limited partnership is not subject to section  
28 29-302, paragraph ~~(1)~~ 1 or ~~(4)~~ 3 with respect to its name as set forth in its  
29 certificate of limited partnership on ~~the effective date of this section~~  
30 JULY 24, 1982, but it becomes subject to such provisions if, and at the time,  
31 any change in its name is made after ~~the effective date of this section~~ JULY  
32 24, 1982, except that the addition of the words "limited partnership" to an  
33 existing limited partnership's name is not, for the purpose of this section,  
34 deemed a change of name.

35 ~~(4)~~ 4. An existing limited partnership is not subject to section  
36 29-304, paragraph ~~(2)~~ 2 until the execution and filing with the secretary of  
37 state of the certificate of amendment referred to in paragraph ~~(2)~~ 2 of this  
38 subsection, at which time the general partners of an existing limited  
39 partnership shall have the obligation, and the right and power, to appoint  
40 and thereafter continuously maintain an agent for service of process as  
41 required by section 29-304, paragraph ~~(2)~~ 2.

42 ~~(5)~~ 5. The references in this chapter to the date of the filing of  
43 a limited partnership's original certificate of limited partnership mean,  
44 with respect to an existing limited partnership, the date on which the

1 existing limited partnership's original certificate of limited partnership  
2 was filed or recorded pursuant to the statute under which it was formed.

3 ~~(6)~~ 6. A certificate of amendment, a restated certificate of limited  
4 partnership or a certificate of cancellation with respect to an existing  
5 limited partnership, in addition to setting forth the information specified  
6 in section 29-309, subsection ~~(a)~~ A, section 29-309, subsection ~~(f)~~ F or  
7 section 29-310, shall state the place where the original certificate of  
8 limited partnership was filed or recorded.

9 ~~(7)~~ 7. Sections 29-327, 29-328 and 29-338 apply only to contributions  
10 and distributions made after July 24, 1982.

11 ~~(8)~~ 8. Section 29-342 applies only to assignments made after July 24,  
12 1982.

13 9. UNLESS OTHERWISE AGREED TO BY THE PARTNERS, THE APPLICABLE  
14 PROVISIONS OF PRIOR STATUTES GOVERNING ALLOCATION OF PROFITS AND LOSSES  
15 RATHER THAN SECTION 29-329, DISTRIBUTIONS TO A WITHDRAWING PARTNER RATHER  
16 THAN SECTION 29-334 AND DISTRIBUTIONS OF ASSETS ON THE WINDING UP OF A  
17 LIMITED PARTNERSHIP RATHER THAN SECTION 29-347 GOVERN LIMITED PARTNERSHIPS  
18 FORMED BEFORE JULY 24, 1982.

19 ~~(b)~~ B. From and after July 24, 1982, all amendments to, restatements  
20 or any cancellation of the certificate of limited partnership of an existing  
21 limited partnership shall be filed with the secretary of state and no such  
22 amendment, restatement or cancellation shall be recorded in the office of the  
23 county recorder of any county of this state.

24 ~~(c)~~ C. Notwithstanding any other provision of this section, on or  
25 before December 31, 1984, every existing limited partnership shall execute  
26 and file with the secretary of state a certificate of amendment which  
27 conforms to the requirements of ~~subdivision (a), items (2), (4) and (6)~~  
28 SUBSECTION A, PARAGRAPHS 2, 4 AND 6 of this section. Failure to execute and  
29 file such an amendment shall not result in the dissolution or in any way  
30 adversely affect the continued existence of the existing limited partnership.  
31 However, such existing limited partnership may not maintain any action, suit  
32 or proceeding in any court of this state after December 31, 1984, until such  
33 an amendment has been filed.

34 Sec. 42. Section 29-366, Arizona Revised Statutes, is amended to read:  
35 29-366. Fees

36 The secretary of state shall charge and collect in advance and remit  
37 the following fees to the state treasurer for deposit in the general fund:

38 ~~(1)~~ 1. Filing a certificate of limited partnership, ten dollars, plus  
39 three dollars per page.

40 ~~(2)~~ 2. Filing a certificate of amendment, ten dollars, plus three  
41 dollars per page.

42 ~~(3)~~ 3. Filing a restated certificate of limited partnership, ten  
43 dollars, plus three dollars per page.

1           ~~(4)~~ 4. Filing a certificate of cancellation of limited partnership,  
2 ten dollars, plus three dollars per page.

3           ~~(5)~~ 5. Filing an application for registration as a foreign limited  
4 partnership, ten dollars, plus three dollars per page.

5           ~~(6)~~ 6. Issuing a certificate of registration to transact business in  
6 this state, ten dollars.

7           ~~(7)~~ 7. Filing a certificate correcting a statement contained in an  
8 application for registration of a foreign limited partnership, ten dollars,  
9 plus three dollars per page.

10          ~~(8)~~ 8. Filing a certificate of cancellation of the registration of  
11 a foreign limited partnership, ten dollars, plus three dollars per page.

12          ~~(9)~~ 9. Filing an application for reservation of a name, ten dollars.

13          ~~(10)~~ 10. Filing a certificate declaring withdrawal under section  
14 29-320, subsection ~~(a)~~ A, paragraph ~~(2)~~ 2, ten dollars, plus three dollars  
15 per page.

16          ~~(11)~~ 11. At time of any service of process upon the secretary of state  
17 as agent for service of process, twenty-five dollars, which amount may be  
18 recovered as taxable costs by the party to the suit or action causing such  
19 service to be made if such party prevails in the suit or action.

20          ~~(12)~~ 12. Document certification, five dollars per document.

21          Sec. 43. Title 29, chapter 3, Arizona Revised Statutes, is amended by  
22 adding article 12, to read:

23                           ARTICLE 12. LIMITED PARTNERSHIP AS  
24                           LIMITED LIABILITY PARTNERSHIP

25           29-367. Limited partnership as limited liability partnership

26           A LIMITED PARTNERSHIP IS A LIMITED LIABILITY PARTNERSHIP AS WELL AS A  
27 LIMITED PARTNERSHIP IF IT:

28           1. QUALIFIES AS A LIMITED LIABILITY PARTNERSHIP AS PROVIDED IN SECTION  
29 29-1204 AS PERMITTED BY ITS WRITTEN PARTNERSHIP AGREEMENT OR, IF ITS WRITTEN  
30 PARTNERSHIP IS SILENT, WITH THE CONSENT OF THE PARTNERS REQUIRED TO AMEND ITS  
31 WRITTEN PARTNERSHIP AGREEMENT; AND

32           2. HAS A NAME THAT COMPLIES WITH THE REQUIREMENTS OF SECTIONS 29-302  
33 AND 29-1205.

34           (a) IN APPLYING SECTION 29-1204 TO A LIMITED PARTNERSHIP, ALL  
35 REFERENCES TO PARTNERS MEAN GENERAL PARTNERS.

36           (b) IF A LIMITED PARTNERSHIP IS A LIMITED LIABILITY PARTNERSHIP,  
37 SECTION 29-1026 APPLIES TO ITS GENERAL PARTNERS AND TO ANY OF ITS LIMITED  
38 PARTNERS WHO UNDER THE PROVISIONS OF THIS CHAPTER ARE LIABLE FOR THE DEBTS  
39 OR OBLIGATIONS OF THE PARTNERSHIP.

40          Sec. 44. Title 29, chapter 3, Arizona Revised Statutes, is amended by  
41 adding article 13, to read:

42                           ARTICLE 13. CONVERSIONS AND MERGERS

43           29-368. Definitions

44           IN THIS ARTICLE, UNLESS CONTEXT OTHERWISE REQUIRES:

1           1. "GENERAL PARTNER" MEANS A GENERAL PARTNER IN A LIMITED PARTNERSHIP.

2           2. "LIMITED PARTNER" MEANS A LIMITED PARTNER IN A LIMITED PARTNERSHIP.

3           3. "LIMITED PARTNERSHIP" MEANS A LIMITED PARTNERSHIP CREATED UNDER  
4 THIS CHAPTER, PREDECESSOR LAW OR COMPARABLE LAW OF ANOTHER JURISDICTION.

5           4. "PARTNER" INCLUDES BOTH A GENERAL PARTNER AND A LIMITED PARTNER.

6           5. "PARTNERSHIP" MEANS A GENERAL PARTNERSHIP UNDER THIS CHAPTER.

7           29-369. Conversion of partnership to limited partnership

8           A GENERAL PARTNERSHIP MAY BE CONVERTED INTO A LIMITED PARTNERSHIP  
9 PURSUANT TO SECTION 29-1082.

10           29-370. Conversion of limited partnership to partnership

11           A. A LIMITED PARTNERSHIP MAY BE CONVERTED TO A PARTNERSHIP PURSUANT  
12 TO THIS SECTION.

13           B. NOTWITHSTANDING A PROVISION TO THE CONTRARY IN A LIMITED  
14 PARTNERSHIP AGREEMENT, ALL OF THE PARTNERS SHALL APPROVE THE TERMS AND  
15 CONDITIONS OF A CONVERSION OF A LIMITED PARTNERSHIP TO A PARTNERSHIP.

16           C. AFTER THE CONVERSION IS APPROVED BY THE PARTNERS, THE LIMITED  
17 PARTNERSHIP SHALL CANCEL ITS CERTIFICATE OF LIMITED PARTNERSHIP.

18           D. THE CONVERSION TAKES EFFECT WHEN THE CERTIFICATE OF LIMITED  
19 PARTNERSHIP IS CANCELED.

20           E. A LIMITED PARTNER WHO BECOMES A GENERAL PARTNER AS A RESULT OF THE  
21 CONVERSION REMAINS LIABLE ONLY AS A LIMITED PARTNER FOR AN OBLIGATION  
22 INCURRED BY THE LIMITED PARTNERSHIP BEFORE THE CONVERSION TAKES EFFECT.  
23 SUBJECT TO SECTION 29-1026, THE PARTNER IS LIABLE AS A GENERAL PARTNER FOR  
24 AN OBLIGATION OF THE PARTNERSHIP INCURRED AFTER THE CONVERSION TAKES EFFECT.

25           29-371. Effect of conversion; entity unchanged

26           A. A PARTNERSHIP OR LIMITED PARTNERSHIP THAT HAS BEEN CONVERTED  
27 PURSUANT TO THIS ARTICLE IS FOR ALL PURPOSES THE SAME ENTITY THAT EXISTED  
28 BEFORE THE CONVERSION.

29           B. WHEN A CONVERSION TAKES EFFECT:

30           1. ALL PROPERTY OWNED BY THE CONVERTING PARTNERSHIP OR LIMITED  
31 PARTNERSHIP REMAINS VESTED IN THE CONVERTED ENTITY.

32           2. ALL OBLIGATIONS OF THE CONVERTING PARTNERSHIP OR LIMITED  
33 PARTNERSHIP CONTINUE AS OBLIGATIONS OF THE CONVERTED ENTITY.

34           3. AN ACTION OR PROCEEDING PENDING AGAINST THE CONVERTING PARTNERSHIP  
35 OR LIMITED PARTNERSHIP MAY BE CONTINUED AS IF THE CONVERSION HAD NOT  
36 OCCURRED.

37           29-372. Merger of partnerships

38           A. PURSUANT TO A PLAN OF MERGER APPROVED AS PROVIDED IN SUBSECTION C  
39 OF THIS SECTION, A LIMITED PARTNERSHIP MAY BE MERGED WITH ONE OR MORE  
40 PARTNERSHIPS, LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES AS DEFINED IN  
41 SECTION 29-751.

42           B. THE PLAN OF MERGER SHALL SET FORTH ALL OF THE FOLLOWING:

43           1. THE NAME OF EACH PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS  
44 ENTITY THAT IS A PARTY TO THE MERGER.

1           2. THE NAME OF THE SURVIVING ENTITY INTO WHICH THE OTHER PARTNERSHIPS,  
2 LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES WILL MERGE.

3           3. WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP, A LIMITED  
4 PARTNERSHIP OR ANOTHER BUSINESS ENTITY, AND THE STATUS, IF ANY, OF EACH  
5 PARTNER AS A GENERAL PARTNER, LIMITED PARTNER, MEMBER, SHAREHOLDER OR OTHER  
6 TYPE OF OWNER IN THE SURVIVING ENTITY.

7           4. THE TERMS AND CONDITIONS OF THE MERGER.

8           5. THE MANNER AND BASIS OF CONVERTING THE INTERESTS OF EACH PARTY TO  
9 THE MERGER INTO INTERESTS OR OBLIGATIONS OF THE SURVIVING ENTITY OR INTO  
10 MONEY OR OTHER PROPERTY IN WHOLE OR IN PART.

11          6. THE STREET ADDRESS OF THE SURVIVING ENTITY'S CHIEF EXECUTIVE  
12 OFFICE.

13          C. THE PLAN OF MERGER SHALL BE APPROVED:

14           1. IN THE CASE OF A PARTNERSHIP THAT IS A PARTY TO THE MERGER, BY ALL  
15 OF THE PARTNERS, OR A NUMBER OR PERCENTAGE SPECIFIED FOR MERGER IN THE  
16 PARTNERSHIP AGREEMENT.

17           2. IN THE CASE OF A LIMITED PARTNERSHIP THAT IS A PARTY TO THE MERGER,  
18 BY THE VOTE REQUIRED FOR APPROVAL OF A MERGER BY THE LAW OF THE STATE OR  
19 FOREIGN JURISDICTION UNDER WHICH THE LIMITED PARTNERSHIP IS ORGANIZED AND IN  
20 THE ABSENCE OF SUCH A SPECIFICALLY APPLICABLE LAW BY ALL OF THE PARTNERS OR  
21 ANY LESSER NUMBER SPECIFIED IN THE PARTNERSHIP AGREEMENT AND PERMITTED BY THE  
22 LAW OF THE STATE OR FOREIGN JURISDICTION UNDER WHICH THE LIMITED PARTNERSHIP  
23 IS ORGANIZED.

24           3. IN THE CASE OF A BUSINESS ENTITY OTHER THAN A GENERAL PARTNERSHIP  
25 OR LIMITED PARTNERSHIP IN THE MANNER REQUIRED BY THE LAWS OF THE JURISDICTION  
26 UNDER WHICH THE ENTITY IS ORGANIZED.

27          D. AFTER A PLAN OF MERGER IS APPROVED AND BEFORE THE MERGER TAKES  
28 EFFECT, THE PLAN MAY BE AMENDED OR ABANDONED AS PROVIDED IN THE PLAN.

29          E. THE MERGER TAKES EFFECT ON THE LATER OF:

30           1. THE APPROVAL OF THE PLAN OF MERGER BY ALL PARTIES TO THE MERGER,  
31 AS PROVIDED IN SUBSECTION C OF THIS SECTION.

32           2. THE FILING OF A STATEMENT OF MERGER PURSUANT TO SECTION 29-374 AND  
33 ALL OTHER DOCUMENTS REQUIRED BY LAW TO BE FILED AS A CONDITION TO THE  
34 EFFECTIVENESS OF THE MERGER.

35           3. ANY EFFECTIVE DATE SPECIFIED IN THE PLAN OF MERGER.

36          29-373. Effect of merger

37          A. A MERGER TAKES EFFECT WHEN:

38           1. THE SEPARATE EXISTENCE OF EVERY PARTNERSHIP, LIMITED PARTNERSHIP  
39 OR OTHER BUSINESS ENTITY THAT IS A PARTY TO THE MERGER, OTHER THAN THE  
40 SURVIVING ENTITY, CEASES.

41           2. ALL PROPERTY OWNED BY EACH OF THE MERGED PARTNERSHIPS, LIMITED  
42 PARTNERSHIPS OR OTHER BUSINESS ENTITIES VESTS IN THE SURVIVING ENTITY.

1           3. ALL OBLIGATIONS OF EVERY PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER  
2 BUSINESS ENTITY THAT IS A PARTY TO THE MERGER BECOME THE OBLIGATIONS OF THE  
3 SURVIVING ENTITY.

4           4. AN ACTION OR PROCEEDING PENDING AGAINST ANY PARTNERSHIP, LIMITED  
5 PARTNERSHIP OR OTHER BUSINESS ENTITY THAT IS A PARTY TO THE MERGER MAY BE  
6 CONTINUED AS IF THE MERGER HAD NOT OCCURRED, OR THE SURVIVING ENTITY MAY BE  
7 SUBSTITUTED AS A PARTY TO THE ACTION OR PROCEEDING.

8           B. IF THE SURVIVING ENTITY IS A FOREIGN PARTNERSHIP OR LIMITED  
9 PARTNERSHIP AT ANY TIME DURING WHICH SUCH ENTITY FAILS TO MAINTAIN AN AGENT  
10 FOR SERVICE OF PROCESS AS REQUIRED BY ARIZONA LAW, THE SECRETARY OF STATE OF  
11 THIS STATE IS THE AGENT FOR SERVICE OF PROCESS IN AN ACTION OR PROCEEDING  
12 AGAINST A SURVIVING FOREIGN PARTNERSHIP OR LIMITED PARTNERSHIP TO ENFORCE AN  
13 OBLIGATION OF A DOMESTIC PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS  
14 ENTITY THAT IS A PARTY TO A MERGER. UNTIL THE SURVIVING FOREIGN PARTNERSHIP  
15 OR LIMITED PARTNERSHIP APPOINTS AN AGENT FOR SERVICE OF PROCESS AS REQUIRED  
16 BY ARIZONA LAW, IT SHALL PROMPTLY NOTIFY THE SECRETARY OF STATE OF THE  
17 MAILING ADDRESS OF ITS CHIEF EXECUTIVE OFFICE AND OF ANY CHANGE OF ADDRESS.  
18 ON RECEIPT OF PROCESS, THE SECRETARY OF STATE SHALL MAIL A COPY OF THE  
19 PROCESS TO THE SURVIVING FOREIGN PARTNERSHIP OR LIMITED PARTNERSHIP AT SUCH  
20 ADDRESS, IF ONE HAS BEEN PROVIDED.

21           C. IF THE SURVIVING ENTITY IS A PARTNERSHIP OR LIMITED PARTNERSHIP,  
22 A PARTNER OF THE SURVIVING PARTNERSHIP OR LIMITED PARTNERSHIP IS LIABLE FOR:

23           1. ALL OBLIGATIONS OF A PARTY TO THE MERGER FOR WHICH THE PARTNER WAS  
24 PERSONALLY LIABLE BEFORE THE MERGER.

25           2. ALL OTHER OBLIGATIONS OF THE SURVIVING ENTITY INCURRED BEFORE THE  
26 MERGER BY A PARTY TO THE MERGER, BUT THOSE OBLIGATIONS MAY BE SATISFIED ONLY  
27 OUT OF PROPERTY OF THE ENTITY.

28           3. ALL OBLIGATIONS OF THE SURVIVING ENTITY INCURRED AFTER THE MERGER  
29 TAKES EFFECT, BUT THOSE OBLIGATIONS MAY BE SATISFIED ONLY OUT OF PROPERTY OF  
30 THE ENTITY IF THE PARTNER IS A LIMITED PARTNER.

31           D. IF THE OBLIGATIONS INCURRED BEFORE THE MERGER BY A PARTNERSHIP OR  
32 LIMITED PARTNERSHIP THAT IS A PARTY TO THE MERGER ARE NOT TO BE SATISFIED OUT  
33 OF THE PROPERTY OF THE SURVIVING ENTITY PURSUANT TO THE PLAN OF THE MERGER,  
34 THE GENERAL PARTNERS OF THAT PARTY IMMEDIATELY BEFORE THE EFFECTIVE DATE OF  
35 THE MERGER SHALL CONTRIBUTE THE AMOUNT NECESSARY TO SATISFY THAT PARTY'S  
36 OBLIGATIONS TO THE SURVIVING ENTITY IN THE MANNER PROVIDED IN SECTION 29-1077  
37 OR IN THE LIMITED PARTNERSHIP ACT OF THE JURISDICTION IN WHICH THE PARTY WAS  
38 FORMED, AS THE CASE MAY BE, AS IF THE MERGED PARTY WERE DISSOLVED.

39           E. A PARTNER OF A PARTNERSHIP OR LIMITED PARTNERSHIP THAT IS A PARTY  
40 TO A MERGER WHO DOES NOT BECOME A PARTNER OR OTHER OWNER OF THE SURVIVING  
41 ENTITY IS DISSOCIATED, AS DEFINED IN SECTION 29-1051, FROM THE PARTNERSHIP  
42 OR LIMITED PARTNERSHIP OF WHICH THAT PARTNER WAS A PARTNER, AS OF THE DATE  
43 THE MERGER TAKES EFFECT. IF THE DISSOCIATED PARTNER WAS A GENERAL PARTNER  
44 BEFORE THE MERGER, THE SURVIVING ENTITY SHALL CAUSE THE PARTNER'S INTEREST

1 IN THE MERGED PARTNERSHIP OR LIMITED PARTNERSHIP TO BE PURCHASED UNDER  
2 SECTION 29-334, SUBSECTION B, PARAGRAPH 1 OR SECTION 29-1061, AS APPLICABLE,  
3 OR ANOTHER STATUTE SPECIFICALLY APPLICABLE TO THAT PARTNER'S INTEREST WITH  
4 RESPECT TO A MERGER. IF THE DISSOCIATED PARTNER WAS A GENERAL PARTNER BEFORE  
5 THE MERGER, THE SURVIVING ENTITY IS BOUND UNDER SECTION 29-1062 BY AN ACT OF  
6 A GENERAL PARTNER DISSOCIATED UNDER THIS SUBSECTION AND THE PARTNER IS LIABLE  
7 UNDER SECTION 29-1063 FOR TRANSACTIONS ENTERED INTO BY THE SURVIVING ENTITY  
8 AFTER THE MERGER TAKES EFFECT.

9 29-374. Statement of merger

10 A. AS A CONDITION TO THE EFFECTIVENESS OF A MERGER, THE SURVIVING  
11 PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS ENTITY SHALL FILE A  
12 STATEMENT THAT ONE OR MORE PARTNERSHIPS OR LIMITED PARTNERSHIPS HAVE MERGED  
13 INTO THE SURVIVING ENTITY.

14 B. A STATEMENT OF MERGER SHALL CONTAIN THE FOLLOWING:

15 1. THE NAME OF EACH PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS  
16 ENTITY THAT IS A PARTY TO THE MERGER.

17 2. THE NAME OF THE SURVIVING ENTITY INTO WHICH THE OTHER PARTNERSHIPS,  
18 LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES WERE MERGED.

19 3. THE STREET ADDRESS OF THE SURVIVING ENTITY'S CHIEF EXECUTIVE OFFICE  
20 AND OF AN OFFICE IN THIS STATE, IF ANY.

21 4. WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP, A LIMITED  
22 PARTNERSHIP OR ANOTHER BUSINESS ENTITY AS DEFINED IN SECTION 29-751.

23 C. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION D OF THIS SECTION, FOR  
24 THE PURPOSES OF IDENTIFYING PROPERTY HELD IN THE NAME OF THE PARTNERSHIP  
25 PURSUANT TO SECTION 29-1022, PROPERTY OF A SURVIVING PARTNERSHIP OR LIMITED  
26 PARTNERSHIP THAT BEFORE THE MERGER WAS HELD IN THE NAME OF ANOTHER PARTY TO  
27 THE MERGER IS PROPERTY HELD IN THE NAME OF THE SURVIVING ENTITY ON FILING A  
28 STATEMENT OF MERGER.

29 D. FOR THE PURPOSE OF IDENTIFYING PROPERTY HELD IN THE NAME OF THE  
30 PARTNERSHIP PURSUANT TO SECTION 29-1022, REAL PROPERTY OF A SURVIVING  
31 PARTNERSHIP OR LIMITED PARTNERSHIP THAT BEFORE THE MERGER WAS HELD IN THE  
32 NAME OF ANOTHER PARTY TO THE MERGER IS PROPERTY HELD IN THE NAME OF THE  
33 SURVIVING ENTITY ON RECORDING A CERTIFIED COPY OF THE STATEMENT OF MERGER IN  
34 THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REAL PROPERTY  
35 IS LOCATED.

36 E. A FILED AND, IF APPROPRIATE, RECORDED STATEMENT OF MERGER EXECUTED  
37 AND DECLARED TO BE ACCURATE PURSUANT TO SECTION 29-1005, SUBSECTION C STATING  
38 THE NAME OF A PARTNERSHIP OR LIMITED PARTNERSHIP THAT IS A PARTY TO THE  
39 MERGER AND IN WHOSE NAME PROPERTY WAS HELD BEFORE THE MERGER AND THE NAME OF  
40 THE SURVIVING ENTITY, BUT NOT CONTAINING ALL OF THE OTHER INFORMATION  
41 REQUIRED BY SUBSECTION B OF THIS SECTION, OPERATES WITH RESPECT TO THE  
42 PARTNERSHIPS OR LIMITED PARTNERSHIPS NAMED TO THE EXTENT PROVIDED IN  
43 SUBSECTIONS C AND D OF THIS SECTION.



1           11. "PARTNERSHIP" MEANS AN ASSOCIATION OR ENTITY FORMED UNDER SECTION  
2 29-1012, PREDECESSOR LAW OR COMPARABLE LAW OF ANOTHER JURISDICTION.

3           12. "PARTNERSHIP AGREEMENT" MEANS THE AGREEMENT, WHETHER WRITTEN, ORAL  
4 OR IMPLIED, AMONG THE PARTNERS CONCERNING THE PARTNERSHIP, INCLUDING  
5 AMENDMENTS TO THE PARTNERSHIP AGREEMENT.

6           13. "PARTNERSHIP AT WILL" MEANS A PARTNERSHIP IN WHICH THE PARTNERS  
7 HAVE NOT AGREED TO REMAIN PARTNERS UNTIL THE EXPIRATION OF A DEFINITE TERM  
8 OR THE COMPLETION OF A PARTICULAR UNDERTAKING.

9           14. "PARTNERSHIP INTEREST" OR "PARTNER'S INTEREST IN THE PARTNERSHIP"  
10 MEANS ALL OF A PARTNER'S INTERESTS IN THE PARTNERSHIP, INCLUDING THE  
11 PARTNER'S TRANSFERABLE INTEREST AND ALL MANAGEMENT AND OTHER RIGHTS.

12           15. "PERSON" MEANS AN INDIVIDUAL, CORPORATION, BUSINESS TRUST, ESTATE,  
13 TRUST, PARTNERSHIP, ASSOCIATION, JOINT VENTURE, GOVERNMENT, GOVERNMENTAL  
14 SUBDIVISION, AGENCY OR INSTRUMENTALITY OR ANY OTHER LEGAL OR COMMERCIAL  
15 ENTITY.

16           16. "PROPERTY" MEANS ALL PROPERTY, REAL, PERSONAL OR MIXED, TANGIBLE  
17 OR INTANGIBLE, OR ANY INTEREST IN SUCH PROPERTY.

18           17. "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF  
19 COLUMBIA, THE COMMONWEALTH OF PUERTO RICO OR ANY TERRITORY OR INSULAR  
20 POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.

21           18. "STATEMENT" MEANS A STATEMENT OF PARTNERSHIP AUTHORITY UNDER  
22 SECTION 29-1023, A STATEMENT OF DENIAL UNDER SECTION 29-1024, A STATEMENT OF  
23 DISSOCIATION UNDER SECTION 29-1064, A STATEMENT OF DISSOLUTION UNDER SECTION  
24 29-1075, A STATEMENT OF MERGER UNDER SECTION 29-1087, A STATEMENT OF  
25 QUALIFICATION AS A LIMITED LIABILITY PARTNERSHIP UNDER SECTION 29-1101, A  
26 STATEMENT OF FOREIGN QUALIFICATION UNDER SECTION 29-1106 OR AN AMENDMENT OR  
27 CANCELLATION OF ANY OF THE FOREGOING.

28           19. "TRANSFER" INCLUDES AN ASSIGNMENT, CONVEYANCE, LEASE, MORTGAGE,  
29 DEED AND ENCUMBRANCE.

30           29-1002. Knowledge and notice

31           A. A PERSON KNOWS A FACT IF THE PERSON HAS ACTUAL KNOWLEDGE OF IT.

32           B. A PERSON HAS NOTICE OF A FACT IF THE PERSON EITHER:

33           1. KNOWS OF IT.

34           2. HAS RECEIVED A NOTIFICATION OF IT.

35           3. HAS REASON TO KNOW IT EXISTS FROM ALL OF THE FACTS KNOWN TO THE  
36 PERSON AT THE TIME IN QUESTION.

37           C. A PERSON NOTIFIES OR GIVES A NOTIFICATION OF A FACT TO ANOTHER BY  
38 TAKING STEPS REASONABLY REQUIRED TO INFORM THE OTHER PERSON IN ORDINARY  
39 COURSE, WHETHER OR NOT THE OTHER PERSON KNOWS OF IT.

40           D. A PERSON RECEIVES A NOTIFICATION WHEN THE NOTIFICATION EITHER:

41           1. COMES TO THE PERSON'S ATTENTION.

42           2. IS DULY DELIVERED AT THE PERSON'S PLACE OF BUSINESS OR AT ANY OTHER  
43 PLACE HELD OUT BY THE PERSON AS A PLACE FOR RECEIVING COMMUNICATIONS.

1 E. A PERSON OTHER THAN AN INDIVIDUAL KNOWS, HAS NOTICE OR RECEIVES A  
2 NOTIFICATION OF A FACT FOR PURPOSES OF A PARTICULAR TRANSACTION WHEN THE  
3 INDIVIDUAL ACTING FOR THE PERSON AND CONDUCTING THE TRANSACTION KNOWS, HAS  
4 NOTICE OR RECEIVES A NOTIFICATION OF THE FACT, OR IN ANY EVENT WHEN THE FACT  
5 WOULD HAVE BEEN BROUGHT TO THE INDIVIDUAL'S ATTENTION IF THE PERSON HAD  
6 EXERCISED REASONABLE DILIGENCE. THE PERSON EXERCISES REASONABLE DILIGENCE  
7 IF THE PERSON MAINTAINS REASONABLE ROUTINES FOR COMMUNICATING SIGNIFICANT  
8 INFORMATION TO THE INDIVIDUAL CONDUCTING THE TRANSACTION AND THERE IS  
9 REASONABLE COMPLIANCE WITH THE ROUTINES. REASONABLE DILIGENCE DOES NOT  
10 REQUIRE AN INDIVIDUAL ACTING FOR THE PERSON TO COMMUNICATE INFORMATION UNLESS  
11 THE COMMUNICATION IS PART OF THE INDIVIDUAL'S REGULAR DUTIES OR THE  
12 INDIVIDUAL HAS REASON TO KNOW OF THE TRANSACTION AND THAT THE TRANSACTION  
13 WOULD BE MATERIALLY AFFECTED BY THE INFORMATION.

14 29-1003. Effect of partnership agreement: nonwaivable  
15 provisions

16 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION B OF THIS SECTION,  
17 RELATIONS AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP ARE  
18 GOVERNED BY THE PARTNERSHIP AGREEMENT. TO THE EXTENT THE PARTNERSHIP  
19 AGREEMENT DOES NOT OTHERWISE PROVIDE, THIS CHAPTER GOVERNS RELATIONS AMONG  
20 THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP.

21 B. THE PARTNERSHIP AGREEMENT SHALL NOT:

22 1. VARY THE RIGHTS AND DUTIES UNDER SECTION 29-1005 EXCEPT TO  
23 ELIMINATE THE DUTY TO PROVIDE COPIES OF STATEMENTS TO ALL OF THE PARTNERS.

24 2. UNREASONABLY RESTRICT THE RIGHT OF ACCESS TO BOOKS AND RECORDS  
25 UNDER SECTION 29-1033, SUBSECTION B.

26 3. ELIMINATE THE DUTY OF LOYALTY UNDER SECTION 29-1034, SUBSECTION B  
27 OR SECTION 29-1053, SUBSECTION B, PARAGRAPH 3, EXCEPT THAT THE PARTNERSHIP  
28 AGREEMENT MAY IDENTIFY TYPES OR CATEGORIES OF ACTIVITIES THAT DO NOT VIOLATE  
29 THE DUTY OF LOYALTY.

30 4. ELIMINATE THE DUTY OF CARE UNDER SECTION 29-1034, SUBSECTION C OR  
31 SECTION 29-1053, SUBSECTION B, PARAGRAPH 3, EXCEPT THAT THE PARTNERSHIP  
32 AGREEMENT MAY PRESCRIBE THE STANDARD BY WHICH THE PERFORMANCE OF THE DUTY IS  
33 TO BE MEASURED.

34 5. ELIMINATE THE OBLIGATION OF GOOD FAITH AND FAIR DEALING UNDER  
35 SECTION 29-1034, SUBSECTION D, EXCEPT THAT THE PARTNERSHIP AGREEMENT MAY  
36 PRESCRIBE THE STANDARDS BY WHICH THE PERFORMANCE OF THE OBLIGATION IS TO BE  
37 MEASURED.

38 6. VARY THE POWER TO DISSOCIATE AS A PARTNER UNDER SECTION 29-1052,  
39 SUBSECTION A, EXCEPT TO REQUIRE THE NOTICE UNDER SECTION 29-1051, PARAGRAPH  
40 1 TO BE IN WRITING.

41 7. RESTRICT RIGHTS OF PERSONS OTHER THAN A PARTNER, THE PARTNER'S  
42 TRANSFEREE, THE LEGAL REPRESENTATIVE OF A PARTNER, THE TRANSFEREE OF THE  
43 LEGAL REPRESENTATIVE OF A PARTNER OR THE PARTNERSHIP UNDER THIS CHAPTER.

1           8. VARY THE LAW APPLICABLE TO A LIMITED LIABILITY PARTNERSHIP UNDER  
2 SECTION 29-1006.

3           29-1004. Supplemental principles of law

4           A. UNLESS DISPLACED BY PARTICULAR PROVISIONS OF THIS CHAPTER, THE  
5 PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS CHAPTER.

6           B. IF AN OBLIGATION TO PAY INTEREST ARISES UNDER THIS CHAPTER AND THE  
7 RATE IS NOT SPECIFIED, THE RATE IS THAT SPECIFIED IN SECTION 44-1201.

8           29-1005. Execution, filing and recording of statements

9           A. A STATEMENT MAY BE FILED IN THE OFFICE OF THE SECRETARY OF STATE.  
10 A CERTIFIED COPY OF A STATEMENT THAT IS FILED IN AN OFFICE IN ANOTHER STATE  
11 MAY BE FILED IN THE OFFICE OF THE SECRETARY OF STATE. EITHER FILING HAS THE  
12 EFFECT PROVIDED IN THIS CHAPTER WITH RESPECT TO PARTNERSHIP PROPERTY LOCATED  
13 IN OR TRANSACTIONS THAT OCCUR IN THIS STATE.

14           B. A CERTIFIED COPY OF A STATEMENT THAT HAS BEEN FILED IN THE OFFICE  
15 OF THE SECRETARY OF STATE AND RECORDED IN THE OFFICE FOR RECORDING TRANSFERS  
16 OF REAL PROPERTY HAS THE EFFECT PROVIDED FOR RECORDED STATEMENTS IN THIS  
17 CHAPTER. A RECORDED STATEMENT THAT IS NOT A CERTIFIED COPY OF A STATEMENT  
18 FILED IN THE OFFICE OF THE SECRETARY OF STATE DOES NOT HAVE THE EFFECT  
19 PROVIDED FOR RECORDED STATEMENTS IN THIS CHAPTER.

20           C. A STATEMENT FILED BY A PARTNERSHIP SHALL BE EXECUTED BY AT LEAST  
21 TWO PARTNERS. OTHER STATEMENTS SHALL BE EXECUTED BY A PARTNER OR ANY OTHER  
22 PERSON AUTHORIZED BY THIS CHAPTER. WHETHER OR NOT A STATEMENT CONTAINS AN  
23 ACKNOWLEDGMENT, VERIFICATION OR PROOF, THE SIGNATURE OF EACH PERSON SIGNING  
24 A STATEMENT CONSTITUTES THE AFFIRMATION OR ACKNOWLEDGMENT OF THAT PERSON,  
25 UNDER PENALTY OF PERJURY, THAT THE STATEMENT IS THAT PERSONS' ACT AND DEED  
26 OR THE ACT AND DEED OF THE PARTNERSHIP AND THAT THE FACTS STATED IN THE  
27 STATEMENT ARE TRUE.

28           D. A PERSON AUTHORIZED BY THIS CHAPTER TO FILE A STATEMENT MAY AMEND  
29 OR CANCEL THE STATEMENT BY FILING AN AMENDMENT OR CANCELLATION THAT NAMES THE  
30 PARTNERSHIP, IDENTIFIES THE STATEMENT AND STATES THE SUBSTANCE OF THE  
31 AMENDMENT OR CANCELLATION.

32           E. A PERSON WHO FILES A STATEMENT PURSUANT TO THIS SECTION SHALL  
33 PROMPTLY SEND A COPY OF THE STATEMENT TO EVERY NONFILING PARTNER AND TO ANY  
34 OTHER PERSON NAMED AS A PARTNER IN THE STATEMENT. FAILURE TO SEND A COPY OF  
35 A STATEMENT TO A PARTNER OR ANY OTHER PERSON DOES NOT LIMIT THE EFFECTIVENESS  
36 OF THE STATEMENT AS TO A PERSON WHO IS NOT A PARTNER.

37           F. THE SECRETARY OF STATE MAY COLLECT A FEE FOR FILING OR PROVIDING  
38 A CERTIFIED COPY OF A STATEMENT. THE OFFICER RESPONSIBLE FOR RECORDING  
39 TRANSFERS OF REAL PROPERTY MAY COLLECT A FEE FOR RECORDING A STATEMENT.

40           29-1006. Law governing internal relations

41           A. EXCEPT AS PROVIDED IN SUBSECTION B, THE LAW OF THE JURISDICTION  
42 IN WHICH A PARTNERSHIP HAS ITS CHIEF EXECUTIVE OFFICE GOVERNS RELATIONS AMONG  
43 THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP.

1 B. IN THE CASE OF A LIMITED LIABILITY PARTNERSHIP, THE LAWS OF THIS  
2 STATE GOVERN RELATIONS AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE  
3 PARTNERSHIP, AND THE LIABILITY OF THE PARTNERS FOR OBLIGATIONS OF THE LIMITED  
4 LIABILITY PARTNERSHIP.

5 29-1007. Partnership subject to amendment or repeal

6 A PARTNERSHIP GOVERNED BY THIS CHAPTER IS SUBJECT TO ANY AMENDMENT TO  
7 OR REPEAL OF THIS CHAPTER.

8 ARTICLE 2. NATURE OF PARTNERSHIP

9 29-1011. Partnership as entity

10 A. A PARTNERSHIP IS AN ENTITY DISTINCT FROM ITS PARTNERS.

11 B. A LIMITED LIABILITY PARTNERSHIP IS THE SAME ENTITY THAT EXISTED  
12 BEFORE THE FILING OF A STATEMENT OF QUALIFICATION UNDER SECTION 29-1101.

13 29-1012. Formation of partnership

14 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS B AND C, THE  
15 ASSOCIATION OF TWO OR MORE PERSONS TO CARRY ON AS CO-OWNERS A BUSINESS FOR  
16 PROFIT FORMS A PARTNERSHIP, WHETHER OR NOT THE PERSONS INTEND TO FORM A  
17 PARTNERSHIP.

18 B. AN ASSOCIATION FORMED UNDER A STATUTE OTHER THAN THIS CHAPTER, A  
19 PREDECESSOR STATUTE OR A COMPARABLE STATUTE OF ANOTHER JURISDICTION IS NOT  
20 A PARTNERSHIP UNDER THIS CHAPTER.

21 C. IN DETERMINING WHETHER A PARTNERSHIP IS FORMED, THE FOLLOWING  
22 RULES APPLY:

23 1. JOINT TENANCY, TENANCY IN COMMON, TENANCY BY THE ENTIRETIES, JOINT  
24 PROPERTY, COMMON PROPERTY OR PART OWNERSHIP DOES NOT BY ITSELF ESTABLISH A  
25 PARTNERSHIP, EVEN IF THE CO-OWNERS SHARE PROFITS MADE BY THE USE OF THE  
26 PROPERTY, EXCEPT THAT THE OWNERSHIP ESTABLISHES A PARTNERSHIP IF THE PERSONS  
27 HAVE DECLARED IN A WRITTEN PARTNERSHIP AGREEMENT THAT THE PROPERTY IS  
28 PARTNERSHIP PROPERTY SUBJECT TO THE PROVISIONS OF THE PARTNERSHIP AGREEMENT  
29 AND THIS CHAPTER.

30 2. THE SHARING OF GROSS RETURNS DOES NOT BY ITSELF ESTABLISH A  
31 PARTNERSHIP, EVEN IF THE PERSONS SHARING THEM HAVE A JOINT OR COMMON RIGHT  
32 OR INTEREST IN PROPERTY FROM WHICH THE RETURNS ARE DERIVED.

33 3. A PERSON WHO RECEIVES A SHARE OF THE PROFITS OF A BUSINESS IS  
34 PRESUMED TO BE A PARTNER IN THE BUSINESS, UNLESS THE PROFITS WERE RECEIVED  
35 IN PAYMENT EITHER:

36 (a) OF A DEBT BY INSTALLMENTS OR OTHERWISE.

37 (b) FOR SERVICES AS AN INDEPENDENT CONTRACTOR OR OF WAGES OR OTHER  
38 COMPENSATION TO AN EMPLOYEE.

39 (c) OF RENT.

40 (d) OF AN ANNUITY OR ANY OTHER RETIREMENT BENEFIT TO A BENEFICIARY,  
41 REPRESENTATIVE OR DESIGNEE OF A DECEASED OR RETIRED PARTNER.

42 (e) OF INTEREST OR OTHER CHARGE ON A LOAN, EVEN IF THE AMOUNT OF  
43 PAYMENT VARIES WITH THE PROFITS OF THE BUSINESS, INCLUDING A DIRECT OR

1 INDIRECT PRESENT OR FUTURE OWNERSHIP OF THE COLLATERAL, OR RIGHTS TO INCOME,  
2 PROCEEDS OR INCREASE IN VALUE DERIVED FROM THE COLLATERAL.

3 (f) FOR THE SALE OF THE GOODWILL OF ANY BUSINESS OR OTHER PROPERTY BY  
4 INSTALLMENTS OR OTHERWISE.

5 29-1013. Partnership property

6 PROPERTY ACQUIRED BY A PARTNERSHIP IS PROPERTY OF THE PARTNERSHIP AND  
7 NOT OF THE PARTNERS INDIVIDUALLY.

8 29-1014. When property is partnership property

9 A. PROPERTY IS PARTNERSHIP PROPERTY IF ACQUIRED IN THE NAME OF EITHER:

10 1. THE PARTNERSHIP.

11 2. ONE OR MORE PARTNERS WITH AN INDICATION IN THE INSTRUMENT  
12 TRANSFERRING TITLE TO THE PROPERTY OF THE PERSON'S CAPACITY AS A PARTNER OR  
13 OF THE EXISTENCE OF A PARTNERSHIP BUT WITHOUT AN INDICATION OF THE NAME OF  
14 THE PARTNERSHIP.

15 B. PROPERTY IS ACQUIRED IN THE NAME OF THE PARTNERSHIP BY A TRANSFER  
16 TO EITHER:

17 1. THE PARTNERSHIP IN ITS NAME.

18 2. ONE OR MORE PARTNERS IN THEIR CAPACITY AS PARTNERS IN THE  
19 PARTNERSHIP, IF THE NAME OF THE PARTNERSHIP IS INDICATED IN THE INSTRUMENT  
20 TRANSFERRING TITLE TO THE PROPERTY.

21 C. PROPERTY IS PRESUMED TO BE PARTNERSHIP PROPERTY IF IT IS PURCHASED  
22 WITH PARTNERSHIP ASSETS, EVEN IF IT IS NOT ACQUIRED IN THE NAME OF THE  
23 PARTNERSHIP OR OF ONE OR MORE PARTNERS WITH AN INDICATION IN THE INSTRUMENT  
24 TRANSFERRING TITLE TO THE PROPERTY OF THE PERSON'S CAPACITY AS A PARTNER OR  
25 OF THE EXISTENCE OF A PARTNERSHIP.

26 D. PROPERTY ACQUIRED IN THE NAME OF ONE OR MORE OF THE PARTNERS,  
27 WITHOUT AN INDICATION IN THE INSTRUMENT TRANSFERRING TITLE TO THE PROPERTY  
28 OF THE PERSON'S CAPACITY AS A PARTNER OR OF THE EXISTENCE OF A PARTNERSHIP  
29 AND WITHOUT USE OF PARTNERSHIP ASSETS, IS PRESUMED TO BE SEPARATE PROPERTY,  
30 EVEN IF USED FOR PARTNERSHIP PURPOSES.

31 ARTICLE 3. RELATIONS OF PARTNERS  
32 TO PERSONS DEALING WITH PARTNERSHIP

33 29-1021. Partner agent of partnership

34 SUBJECT TO THE EFFECT OF A STATEMENT OF PARTNERSHIP AUTHORITY UNDER  
35 SECTION 29-1023:

36 1. EACH PARTNER IS AN AGENT OF THE PARTNERSHIP FOR THE PURPOSE OF ITS  
37 BUSINESS. AN ACT OF A PARTNER, INCLUDING THE EXECUTION OF AN INSTRUMENT IN  
38 THE PARTNERSHIP NAME, FOR APPARENTLY CARRYING ON IN THE ORDINARY COURSE THE  
39 PARTNERSHIP BUSINESS OR BUSINESS OF THE KIND CARRIED ON BY THE PARTNERSHIP  
40 BINDS THE PARTNERSHIP, UNLESS THE PARTNER HAD NO AUTHORITY TO ACT FOR THE  
41 PARTNERSHIP IN THE PARTICULAR MATTER AND THE PERSON WITH WHOM THE PARTNER WAS  
42 DEALING KNEW OR HAD RECEIVED A NOTIFICATION THAT THE PARTNER LACKED  
43 AUTHORITY.

1           2. AN ACT OF A PARTNER THAT IS NOT APPARENTLY FOR CARRYING ON IN THE  
2 ORDINARY COURSE THE PARTNERSHIP BUSINESS OR BUSINESS OF THE KIND CARRIED ON  
3 BY THE PARTNERSHIP BINDS THE PARTNERSHIP ONLY IF THE ACT WAS AUTHORIZED BY  
4 THE OTHER PARTNERS.

5           29-1022. Transfer of partnership property

6           A. PARTNERSHIP PROPERTY MAY BE TRANSFERRED AS FOLLOWS:

7           1. SUBJECT TO THE EFFECT OF A STATEMENT OF PARTNERSHIP AUTHORITY UNDER  
8 SECTION 29-1023, PARTNERSHIP PROPERTY HELD IN THE NAME OF THE PARTNERSHIP MAY  
9 BE TRANSFERRED BY AN INSTRUMENT OF TRANSFER EXECUTED BY A PARTNER IN THE  
10 PARTNERSHIP NAME.

11           2. PARTNERSHIP PROPERTY HELD IN THE NAME OF ONE OR MORE PARTNERS WITH  
12 AN INDICATION IN THE INSTRUMENT TRANSFERRING THE PROPERTY TO THEM OF THEIR  
13 CAPACITY AS PARTNERS OR OF THE EXISTENCE OF A PARTNERSHIP, BUT WITHOUT AN  
14 INDICATION OF THE NAME OF THE PARTNERSHIP, MAY BE TRANSFERRED BY AN  
15 INSTRUMENT OF TRANSFER EXECUTED BY THE PERSONS IN WHOSE NAME THE PROPERTY IS  
16 HELD.

17           3. PARTNERSHIP PROPERTY HELD IN THE NAME OF ONE OR MORE PERSONS OTHER  
18 THAN THE PARTNERSHIP, WITHOUT AN INDICATION IN THE INSTRUMENT TRANSFERRING  
19 THE PROPERTY TO THEM OF THEIR CAPACITY AS PARTNERS OR OF THE EXISTENCE OF A  
20 PARTNERSHIP, MAY BE TRANSFERRED BY AN INSTRUMENT OF TRANSFER EXECUTED BY THE  
21 PERSONS IN WHOSE NAME THE PROPERTY IS HELD.

22           B. A PARTNERSHIP MAY RECOVER PARTNERSHIP PROPERTY FROM A TRANSFEREE  
23 ONLY IF IT PROVES THAT EXECUTION OF THE INSTRUMENT OF INITIAL TRANSFER DID  
24 NOT BIND THE PARTNERSHIP UNDER SECTION 29-1021 AND EITHER:

25           1. AS TO A SUBSEQUENT TRANSFEREE WHO GAVE VALUE FOR PROPERTY  
26 TRANSFERRED UNDER SUBSECTION A, PARAGRAPH 1 OR 2 OF THIS SECTION, PROVES THAT  
27 THE SUBSEQUENT TRANSFEREE KNEW OR HAD RECEIVED A NOTIFICATION THAT THE PERSON  
28 WHO EXECUTED THE INSTRUMENT OF INITIAL TRANSFER LACKED AUTHORITY TO BIND THE  
29 PARTNERSHIP.

30           2. AS TO A TRANSFEREE WHO GAVE VALUE FOR PROPERTY TRANSFERRED UNDER  
31 SUBSECTION A, PARAGRAPH 3 OF THIS SECTION, PROVES THAT THE TRANSFEREE KNEW  
32 OR HAD RECEIVED A NOTIFICATION THAT THE PROPERTY WAS PARTNERSHIP PROPERTY AND  
33 THAT THE PERSON WHO EXECUTED THE INSTRUMENT OF INITIAL TRANSFER LACKED  
34 AUTHORITY TO BIND THE PARTNERSHIP.

35           C. A PARTNERSHIP SHALL NOT RECOVER PARTNERSHIP PROPERTY FROM A  
36 SUBSEQUENT TRANSFEREE IF THE PARTNERSHIP WOULD NOT HAVE BEEN ENTITLED TO  
37 RECOVER THE PROPERTY, UNDER SUBSECTION B OF THIS SECTION, FROM ANY EARLIER  
38 TRANSFEREE OF THE PROPERTY.

39           D. IF A PERSON HOLDS ALL OF THE PARTNERS' INTERESTS IN THE  
40 PARTNERSHIP, ALL OF THE PARTNERSHIP PROPERTY VESTS IN THAT PERSON. THE  
41 PERSON MAY EXECUTE A DOCUMENT IN THE NAME OF THE PARTNERSHIP TO EVIDENCE  
42 VESTING OF THE PROPERTY IN THAT PERSON AND MAY FILE OR RECORD THE DOCUMENT.

43           29-1023. Statement of partnership authority

44           A. A PARTNERSHIP MAY FILE A STATEMENT OF PARTNERSHIP AUTHORITY THAT:

1           1. SHALL INCLUDE:

2           (a) THE NAME OF THE PARTNERSHIP.

3           (b) THE STREET ADDRESS OF ITS CHIEF EXECUTIVE OFFICE AND OF ONE OFFICE  
4 IN THIS STATE, IF THERE IS ONE.

5           (c) THE NAMES AND MAILING ADDRESSES OF ALL OF THE PARTNERS OR OF AN  
6 AGENT APPOINTED AND MAINTAINED BY THE PARTNERSHIP FOR THE PURPOSE OF  
7 SUBSECTION B OF THIS SECTION.

8           (d) THE NAMES OF THE PARTNERS AUTHORIZED TO EXECUTE AN INSTRUMENT  
9 TRANSFERRING REAL PROPERTY HELD IN THE NAME OF THE PARTNERSHIP.

10          2. MAY STATE THE AUTHORITY, OR LIMITATIONS ON THE AUTHORITY, OF SOME  
11 OR ALL OF THE PARTNERS TO ENTER INTO OTHER TRANSACTIONS ON BEHALF OF THE  
12 PARTNERSHIP AND ANY OTHER MATTER.

13          B. IF A STATEMENT OF PARTNERSHIP AUTHORITY NAMES AN AGENT, THE AGENT  
14 SHALL MAINTAIN A LIST OF THE NAMES AND MAILING ADDRESSES OF ALL OF THE  
15 PARTNERS AND SHALL MAKE IT AVAILABLE TO ANY PERSON ON REQUEST FOR GOOD CAUSE  
16 SHOWN.

17          C. IF A FILED STATEMENT OF PARTNERSHIP AUTHORITY IS EXECUTED PURSUANT  
18 TO SECTION 29-1005, SUBSECTION C AND STATES THE NAME OF THE PARTNERSHIP BUT  
19 DOES NOT CONTAIN ALL OF THE OTHER INFORMATION REQUIRED BY SUBSECTION A OF  
20 THIS SECTION, THE STATEMENT NEVERTHELESS OPERATES WITH RESPECT TO A PERSON  
21 WHO IS NOT A PARTNER AS PROVIDED IN SUBSECTIONS D AND E OF THIS SECTION.

22          D. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION G OF THIS SECTION, A  
23 FILED STATEMENT OF PARTNERSHIP AUTHORITY SUPPLEMENTS THE AUTHORITY OF A  
24 PARTNER TO ENTER INTO TRANSACTIONS ON BEHALF OF THE PARTNERSHIP AS FOLLOWS:

25           1. EXCEPT FOR TRANSFERS OF REAL PROPERTY, A GRANT OF AUTHORITY  
26 CONTAINED IN A FILED STATEMENT OF PARTNERSHIP AUTHORITY IS CONCLUSIVE IN  
27 FAVOR OF A PERSON WHO GIVES VALUE WITHOUT KNOWLEDGE TO THE CONTRARY, AS LONG  
28 AS AND TO THE EXTENT THAT A LIMITATION ON THAT AUTHORITY IS NOT THEN  
29 CONTAINED IN ANOTHER FILED STATEMENT. A FILED CANCELLATION OF A LIMITATION  
30 ON AUTHORITY REVIVES THE PREVIOUS GRANT OF AUTHORITY.

31           2. A GRANT OF AUTHORITY TO TRANSFER REAL PROPERTY HELD IN THE NAME OF  
32 THE PARTNERSHIP CONTAINED IN A CERTIFIED COPY OF A FILED STATEMENT OF  
33 PARTNERSHIP AUTHORITY RECORDED IN THE OFFICE FOR RECORDING TRANSFERS OF THAT  
34 REAL PROPERTY IS CONCLUSIVE IN FAVOR OF A PERSON WHO GIVES VALUE WITHOUT  
35 KNOWLEDGE TO THE CONTRARY, AS LONG AS AND TO THE EXTENT THAT A CERTIFIED COPY  
36 OF A FILED STATEMENT CONTAINING A LIMITATION ON THAT AUTHORITY IS NOT THEN  
37 OF RECORD IN THE OFFICE FOR RECORDING TRANSFERS OF THAT REAL PROPERTY. THE  
38 RECORDING IN THE OFFICE FOR RECORDING TRANSFERS OF THAT REAL PROPERTY OF A  
39 CERTIFIED COPY OF A FILED CANCELLATION OF A LIMITATION ON AUTHORITY REVIVES  
40 THE PREVIOUS GRANT OF AUTHORITY.

41          E. A PERSON WHO IS NOT A PARTNER IS DEEMED TO KNOW OF A LIMITATION ON  
42 THE AUTHORITY OF A PARTNER TO TRANSFER REAL PROPERTY HELD IN THE NAME OF THE  
43 PARTNERSHIP IF A CERTIFIED COPY OF THE FILED STATEMENT CONTAINING THE

1 LIMITATION ON AUTHORITY IS OF RECORD IN THE OFFICE FOR RECORDING TRANSFERS  
2 OF THAT REAL PROPERTY.

3 F. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS D AND E OF THIS SECTION  
4 AND SECTIONS 29-1064 AND 29-1075, A PERSON WHO IS NOT A PARTNER IS NOT DEEMED  
5 TO KNOW OF A LIMITATION ON THE AUTHORITY OF A PARTNER MERELY BECAUSE THE  
6 LIMITATION IS CONTAINED IN A FILED STATEMENT.

7 G. UNLESS EARLIER CANCELED, A FILED STATEMENT OF PARTNERSHIP AUTHORITY.  
8 IS CANCELED BY OPERATION OF LAW FIVE YEARS AFTER THE DATE ON WHICH THE  
9 STATEMENT, OR THE MOST RECENT AMENDMENT, WAS FILED WITH THE SECRETARY OF  
10 STATE.

11 29-1024. Statement of denial

12 A PARTNER OR ANY OTHER PERSON NAMED AS A PARTNER IN A FILED STATEMENT  
13 OF PARTNERSHIP AUTHORITY OR IN A LIST MAINTAINED BY AN AGENT PURSUANT TO  
14 SECTION 29-1023, SUBSECTION B MAY FILE A STATEMENT OF DENIAL STATING THE NAME  
15 OF THE PARTNERSHIP AND THE FACT THAT IS BEING DENIED, INCLUDING DENIAL OF A  
16 PERSON'S AUTHORITY OR STATUS AS A PARTNER. A STATEMENT OF DENIAL IS A  
17 LIMITATION ON AUTHORITY AS PROVIDED IN SECTION 29-1023, SUBSECTIONS D AND E.

18 29-1025. Partnership liable for partner's actionable conduct

19 A. A PARTNERSHIP IS LIABLE FOR LOSS OR INJURY CAUSED TO A PERSON, OR  
20 FOR A PENALTY INCURRED, AS A RESULT OF A WRONGFUL ACT OR OMISSION, OR OTHER  
21 ACTIONABLE CONDUCT, OF A PARTNER ACTING IN THE ORDINARY COURSE OF BUSINESS  
22 OF THE PARTNERSHIP OR WITH AUTHORITY OF THE PARTNERSHIP.

23 B. IF, IN THE COURSE OF THE PARTNERSHIP'S BUSINESS OR WHILE ACTING  
24 WITH AUTHORITY OF THE PARTNERSHIP, A PARTNER RECEIVES OR CAUSES THE  
25 PARTNERSHIP TO RECEIVE MONEY OR PROPERTY OF A PERSON WHO IS NOT A PARTNER,  
26 AND THE MONEY OR PROPERTY IS MISAPPLIED BY A PARTNER, THE PARTNERSHIP IS  
27 LIABLE FOR THE LOSS.

28 29-1026. Partner's liability

29 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION B OF THIS SECTION, ALL  
30 PARTNERS ARE LIABLE JOINTLY AND SEVERALLY FOR ALL OBLIGATIONS OF THE  
31 PARTNERSHIP UNLESS OTHERWISE AGREED BY THE CLAIMANT OR PROVIDED BY LAW.

32 B. A PERSON ADMITTED AS A PARTNER INTO AN EXISTING PARTNERSHIP IS NOT  
33 PERSONALLY LIABLE FOR ANY PARTNERSHIP OBLIGATION INCURRED BEFORE THE PERSON'S  
34 ADMISSION AS A PARTNER.

35 C. OBLIGATIONS INCURRED BY A PARTNERSHIP OR A LIMITED PARTNERSHIP  
36 WHILE THE PARTNERSHIP OR LIMITED PARTNERSHIP IS A LIMITED LIABILITY  
37 PARTNERSHIP, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, ARE SOLELY THE  
38 OBLIGATIONS OF THE LIMITED LIABILITY PARTNERSHIP. A PARTNER IS NOT  
39 PERSONALLY LIABLE, DIRECTLY OR INDIRECTLY, INCLUDING BY WAY OF CONTRIBUTION  
40 OR INDEMNIFICATION, FOR SUCH OBLIGATIONS OF THE LIMITED LIABILITY PARTNERSHIP  
41 INCURRED DURING THE TIME THE PARTNERSHIP OR LIMITED PARTNERSHIP IS A LIMITED  
42 LIABILITY PARTNERSHIP SOLELY BY REASON OF BEING OR ACTING AS SUCH A PARTNER.  
43 NOTWITHSTANDING CONTRARY PROVISIONS IN A PARTNERSHIP AGREEMENT EXISTING PRIOR  
44 TO THE EFFECTIVE DATE OF A STATEMENT OF QUALIFICATION, THE FILING OF A

1 STATEMENT PURSUANT TO SECTION 29-1101 CREATES A PRESUMPTION THAT THE PARTNERS  
2 HAVE AGREED TO THE APPLICABILITY OF THIS SUBSECTION.

3 D. IF A LIMITED PARTNERSHIP IS A LIMITED LIABILITY PARTNERSHIP,  
4 SECTION 29-1026 APPLIES TO ITS GENERAL PARTNERS AND TO ANY OF ITS LIMITED  
5 PARTNERS WHO, UNDER THE PROVISIONS OF CHAPTER 3 OF THIS TITLE, ARE LIABLE FOR  
6 THE DEBTS OR OBLIGATIONS OF THE PARTNERSHIP.

7 E. FAILURE TO OBSERVE THE ENTITY FORMALITIES OTHERWISE APPLICABLE TO  
8 THE CONDUCT OR MANAGEMENT OF THE BUSINESS OF THE LIMITED LIABILITY  
9 PARTNERSHIP IS NOT A GROUND FOR IMPOSING PERSONAL LIABILITY ON ANY PARTNER  
10 FOR THE ACTS OR DEBTS OF THE LIMITED LIABILITY PARTNERSHIP.

11 F. A PARTNER MAY NOT RECEIVE A DISTRIBUTION FROM A LIMITED LIABILITY  
12 PARTNERSHIP TO THE EXTENT THE DISTRIBUTION CONSTITUTES A TRANSFER IN  
13 VIOLATION OF TITLE 44, CHAPTER 8.

14 29-1027. Actions by and against partnership and partners

15 A. A PARTNERSHIP MAY SUE AND BE SUED IN THE NAME OF THE PARTNERSHIP.

16 B. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION F OF THIS SECTION, AN  
17 ACTION MAY BE BROUGHT AGAINST THE PARTNERSHIP AND ANY OR ALL OF THE PARTNERS  
18 IN THE SAME ACTION OR IN SEPARATE ACTIONS.

19 C. A JUDGMENT AGAINST A PARTNERSHIP IS NOT BY ITSELF A JUDGMENT  
20 AGAINST A PARTNER. A JUDGMENT AGAINST A PARTNERSHIP MAY NOT BE SATISFIED  
21 FROM A PARTNER'S ASSETS UNLESS THERE IS ALSO A JUDGMENT AGAINST THE PARTNER.

22 D. A JUDGMENT CREDITOR OF A PARTNER MAY NOT LEVY EXECUTION AGAINST THE  
23 ASSETS OF THE PARTNER TO SATISFY A JUDGMENT BASED ON A CLAIM AGAINST THE  
24 PARTNERSHIP UNLESS EITHER:

25 1. THE CLAIM IS FOR A DEBT, OBLIGATION OR LIABILITY FOR WHICH THE  
26 PARTNER IS LIABLE AS PROVIDED IN SECTION 29-1026 AND EITHER:

27 (a) A JUDGMENT BASED ON THE SAME CLAIM HAS BEEN OBTAINED AGAINST THE  
28 PARTNERSHIP AND A WRIT OF EXECUTION ON THE JUDGMENT HAS BEEN RETURNED  
29 UNSATISFIED IN WHOLE OR IN PART.

30 (b) THE PARTNERSHIP IS A DEBTOR IN BANKRUPTCY.

31 (c) THE PARTNER HAS AGREED THAT THE CREDITOR NEED NOT EXHAUST  
32 PARTNERSHIP ASSETS.

33 (d) A COURT GRANTS PERMISSION TO THE JUDGMENT CREDITOR TO LEVY  
34 EXECUTION AGAINST THE ASSETS OF A PARTNER BASED ON A FINDING THAT PARTNERSHIP  
35 ASSETS SUBJECT TO EXECUTION ARE CLEARLY INSUFFICIENT TO SATISFY THE JUDGMENT,  
36 THAT EXHAUSTION OF PARTNERSHIP ASSETS IS EXCESSIVELY BURDENSOME OR THAT THE  
37 GRANT OF PERMISSION IS AN APPROPRIATE EXERCISE OF THE COURT'S EQUITABLE  
38 POWERS.

39 2. LIABILITY IS IMPOSED ON THE PARTNER BY LAW OR CONTRACT INDEPENDENT  
40 OF THE EXISTENCE OF THE PARTNERSHIP.

41 E. THIS SECTION APPLIES TO ANY PARTNERSHIP LIABILITY OR OBLIGATION  
42 RESULTING FROM A REPRESENTATION BY A PARTNER OR PURPORTED PARTNER UNDER  
43 SECTION 29-1028.

1 F. A PARTNER IS NOT A PROPER PARTY TO AN ACTION AGAINST A LIMITED  
2 LIABILITY PARTNERSHIP WHERE THAT PARTNER WOULD NOT BE PERSONALLY LIABLE FOR  
3 THE CLAIM UNDER SECTION 29-1026.

4 29-1028. Liability of purported partner

5 A. IF A PERSON, BY WORDS OR CONDUCT, PURPORTS TO BE A PARTNER, OR  
6 CONSENTS TO BEING REPRESENTED BY ANOTHER AS A PARTNER, IN A PARTNERSHIP OR  
7 WITH ONE OR MORE PERSONS WHO ARE NOT PARTNERS, THE PURPORTED PARTNER IS  
8 LIABLE TO A PERSON TO WHOM THE REPRESENTATION IS MADE, IF THAT PERSON,  
9 RELYING ON THE REPRESENTATION, ENTERS INTO A TRANSACTION WITH THE ACTUAL OR  
10 PURPORTED PARTNERSHIP. IF THE REPRESENTATION, EITHER BY THE PURPORTED  
11 PARTNER OR BY A PERSON WITH THE PURPORTED PARTNER'S CONSENT, IS MADE IN A  
12 PUBLIC MANNER, THE PURPORTED PARTNER IS LIABLE TO A PERSON WHO RELIES ON THE  
13 PURPORTED PARTNERSHIP EVEN IF THE PURPORTED PARTNER IS NOT AWARE OF BEING  
14 HELD OUT AS A PARTNER TO THE CLAIMANT. IF PARTNERSHIP LIABILITY RESULTS, THE  
15 PURPORTED PARTNER IS LIABLE WITH RESPECT TO THAT LIABILITY AS IF THE  
16 PURPORTED PARTNER WERE A PARTNER. IF NO PARTNERSHIP LIABILITY RESULTS, THE  
17 PURPORTED PARTNER IS LIABLE WITH RESPECT TO THAT LIABILITY JOINTLY AND  
18 SEVERALLY WITH ANY OTHER PERSON CONSENTING TO THE REPRESENTATION.

19 B. IF A PERSON PURSUANT TO SUBSECTION A IS REPRESENTED TO BE A PARTNER  
20 IN AN EXISTING PARTNERSHIP, OR WITH ONE OR MORE PERSONS WHO ARE NOT PARTNERS,  
21 THE PURPORTED PARTNER IS AN AGENT OF PERSONS CONSENTING TO THE REPRESENTATION  
22 TO BIND THEM TO THE SAME EXTENT AND IN THE SAME MANNER AS IF THE PURPORTED  
23 PARTNER WERE A PARTNER, WITH RESPECT TO PERSONS WHO ENTER INTO TRANSACTIONS  
24 IN RELIANCE ON THE REPRESENTATION. IF ALL OF THE PARTNERS OF THE EXISTING  
25 PARTNERSHIP CONSENT TO THE REPRESENTATION, A PARTNERSHIP ACT OR PARTNERSHIP  
26 OBLIGATION RESULTS. IF FEWER THAN ALL OF THE PARTNERS OF THE EXISTING  
27 PARTNERSHIP CONSENT TO THE REPRESENTATION, THE PERSON ACTING AND THE PARTNERS  
28 CONSENTING TO THE REPRESENTATION ARE JOINTLY AND SEVERALLY LIABLE.

29 C. A PERSON IS NOT LIABLE AS A PARTNER MERELY BECAUSE THE PERSON IS  
30 NAMED BY ANOTHER IN A STATEMENT OF PARTNERSHIP AUTHORITY.

31 D. A PERSON DOES NOT CONTINUE TO BE LIABLE AS A PARTNER MERELY BECAUSE  
32 OF A FAILURE TO FILE A STATEMENT OF DISSOCIATION OR TO AMEND A STATEMENT OF  
33 PARTNERSHIP AUTHORITY TO INDICATE THE PARTNER'S DISSOCIATION FROM THE  
34 PARTNERSHIP.

35 E. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS A AND B, PERSONS WHO  
36 ARE NOT PARTNERS AS TO EACH OTHER ARE NOT LIABLE AS PARTNERS TO OTHER  
37 PERSONS.

38 ARTICLE 4. RELATIONS OF PARTNERS TO  
39 EACH OTHER AND TO PARTNERSHIP

40 29-1031. Partner's rights and duties

41 A. EACH PARTNER IS DEEMED TO HAVE AN ACCOUNT THAT IS BOTH:

42 1. CREDITED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE VALUE OF ANY  
43 OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES, THE PARTNER CONTRIBUTES  
44 TO THE PARTNERSHIP AND THE PARTNER'S SHARE OF THE PARTNERSHIP PROFITS.

1 2. CHARGED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE VALUE OF ANY  
2 OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES, DISTRIBUTED BY THE  
3 PARTNERSHIP TO THE PARTNER AND THE PARTNER'S SHARE OF THE PARTNERSHIP LOSSES.

4 B. EACH PARTNER IS ENTITLED TO AN EQUAL SHARE OF THE PARTNERSHIP  
5 PROFITS AND IS CHARGEABLE WITH A SHARE OF THE PARTNERSHIP LOSSES IN  
6 PROPORTION TO THE PARTNER'S SHARE OF THE PROFITS.

7 C. A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR PAYMENTS MADE AND  
8 INDEMNIFY A PARTNER FOR LIABILITIES INCURRED BY THE PARTNER IN THE ORDINARY  
9 COURSE OF THE BUSINESS OF THE PARTNERSHIP OR FOR THE PRESERVATION OF ITS  
10 BUSINESS OR PROPERTY.

11 D. A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR AN ADVANCE TO THE  
12 PARTNERSHIP BEYOND THE AMOUNT OF CAPITAL THE PARTNER AGREED TO CONTRIBUTE.

13 E. A PAYMENT OR ADVANCE THAT IS MADE BY A PARTNER AND THAT GIVES RISE  
14 TO A PARTNERSHIP OBLIGATION UNDER SUBSECTION C OR D OF THIS SECTION  
15 CONSTITUTES A LOAN TO THE PARTNERSHIP THAT ACCRUES INTEREST FROM THE DATE OF  
16 THE PAYMENT OR ADVANCE.

17 F. EACH PARTNER HAS EQUAL RIGHTS IN THE MANAGEMENT AND CONDUCT OF THE  
18 PARTNERSHIP BUSINESS.

19 G. A PARTNER MAY USE OR POSSESS PARTNERSHIP PROPERTY ONLY ON BEHALF  
20 OF THE PARTNERSHIP.

21 H. A PARTNER IS NOT ENTITLED TO REMUNERATION FOR SERVICES PERFORMED  
22 FOR THE PARTNERSHIP, EXCEPT FOR REASONABLE COMPENSATION FOR SERVICES RENDERED  
23 IN WINDING UP THE BUSINESS OF THE PARTNERSHIP.

24 I. A PERSON MAY BECOME A PARTNER ONLY WITH THE CONSENT OF ALL OF THE  
25 PARTNERS.

26 J. A DIFFERENCE ARISING AS TO A MATTER IN THE ORDINARY COURSE OF  
27 BUSINESS OF A PARTNERSHIP MAY BE DECIDED BY A MAJORITY OF THE PARTNERS. AN  
28 ACT OUTSIDE THE ORDINARY COURSE OF BUSINESS OF A PARTNERSHIP AND AN AMENDMENT  
29 TO THE PARTNERSHIP AGREEMENT MAY BE UNDERTAKEN ONLY WITH THE CONSENT OF ALL  
30 OF THE PARTNERS.

31 K. THIS SECTION DOES NOT AFFECT THE OBLIGATIONS OF A PARTNERSHIP TO  
32 OTHER PERSONS UNDER SECTION 29-1021.

33 29-1032. Distributions in kind

34 A PARTNER HAS NO RIGHT TO RECEIVE, AND MAY NOT BE REQUIRED TO ACCEPT,  
35 A DISTRIBUTION IN KIND.

36 29-1033. Partner's rights and duties with respect to  
37 information

38 A. A PARTNERSHIP SHALL KEEP ITS BOOKS AND RECORDS, IF ANY, AT ITS  
39 CHIEF EXECUTIVE OFFICE.

40 B. A PARTNERSHIP SHALL PROVIDE PARTNERS AND THEIR AGENTS AND ATTORNEYS  
41 ACCESS TO ITS BOOKS AND RECORDS. IT SHALL PROVIDE FORMER PARTNERS AND THEIR  
42 AGENTS AND ATTORNEYS ACCESS TO BOOKS AND RECORDS PERTAINING TO THE PERIOD  
43 DURING WHICH THEY WERE PARTNERS. THE RIGHT OF ACCESS PROVIDES THE  
44 OPPORTUNITY TO INSPECT AND COPY BOOKS AND RECORDS DURING ORDINARY BUSINESS

1 HOURS. A PARTNERSHIP MAY IMPOSE A REASONABLE CHARGE, COVERING THE COSTS OF  
2 LABOR AND MATERIAL, FOR COPIES OF DOCUMENTS FURNISHED.

3 C. EACH PARTNER AND THE PARTNERSHIP SHALL FURNISH TO A PARTNER, AND  
4 TO THE LEGAL REPRESENTATIVE OF A DECEASED PARTNER OR PARTNER UNDER LEGAL  
5 DISABILITY:

6 1. WITHOUT DEMAND, ANY INFORMATION CONCERNING THE PARTNERSHIP'S  
7 BUSINESS AND AFFAIRS REASONABLY REQUIRED FOR THE PROPER EXERCISE OF THE  
8 PARTNER'S RIGHTS AND DUTIES UNDER THE PARTNERSHIP AGREEMENT OR THIS CHAPTER.

9 2. ON DEMAND, ANY OTHER INFORMATION CONCERNING THE PARTNERSHIP'S  
10 BUSINESS AND AFFAIRS, EXCEPT TO THE EXTENT THE DEMAND OR THE INFORMATION  
11 DEMANDED IS UNREASONABLE OR OTHERWISE IMPROPER UNDER THE CIRCUMSTANCES.

12 29-1034. General standards of partner's conduct

13 A. THE ONLY FIDUCIARY DUTIES A PARTNER OWES TO THE PARTNERSHIP AND THE  
14 OTHER PARTNERS ARE THE DUTY OF LOYALTY AND THE DUTY OF CARE SET FORTH IN  
15 SUBSECTIONS B AND C.

16 B. A PARTNER'S DUTY OF LOYALTY TO THE PARTNERSHIP AND THE OTHER  
17 PARTNERS IS LIMITED TO THE FOLLOWING:

18 1. TO ACCOUNT TO THE PARTNERSHIP AND HOLD AS TRUSTEE FOR IT ANY  
19 PROPERTY, PROFIT OR BENEFIT DERIVED BY THE PARTNER IN THE CONDUCT AND WINDING  
20 UP OF THE PARTNERSHIP BUSINESS OR DERIVED FROM A USE BY THE PARTNER OF  
21 PARTNERSHIP PROPERTY, INCLUDING THE APPROPRIATION OF A PARTNERSHIP  
22 OPPORTUNITY.

23 2. TO REFRAIN FROM DEALING WITH THE PARTNERSHIP IN THE CONDUCT OR  
24 WINDING UP OF THE PARTNERSHIP BUSINESS AS OR ON BEHALF OF A PARTY HAVING AN  
25 INTEREST ADVERSE TO THE PARTNERSHIP.

26 3. TO REFRAIN FROM COMPETING WITH THE PARTNERSHIP IN THE CONDUCT OF  
27 THE PARTNERSHIP BUSINESS BEFORE THE DISSOLUTION OF THE PARTNERSHIP.

28 C. A PARTNER'S DUTY OF CARE TO THE PARTNERSHIP AND THE OTHER PARTNERS  
29 IN THE CONDUCT AND WINDING UP OF THE PARTNERSHIP BUSINESS IS LIMITED TO  
30 REFRAINING FROM ENGAGING IN GROSSLY NEGLIGENT OR RECKLESS CONDUCT,  
31 INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW.

32 D. A PARTNER SHALL DISCHARGE THE DUTIES TO THE PARTNERSHIP AND THE  
33 OTHER PARTNERS UNDER THIS CHAPTER OR UNDER THE PARTNERSHIP AGREEMENT AND  
34 EXERCISE ANY RIGHTS CONSISTENTLY WITH THE OBLIGATION OF GOOD FAITH AND FAIR  
35 DEALING.

36 E. A PARTNER DOES NOT VIOLATE A DUTY OR OBLIGATION UNDER THIS CHAPTER  
37 OR UNDER THE PARTNERSHIP AGREEMENT MERELY BECAUSE THE PARTNER'S CONDUCT  
38 FURTHERS THE PARTNER'S OWN INTEREST.

39 F. A PARTNER MAY LEND MONEY TO AND TRANSACT OTHER BUSINESS WITH THE  
40 PARTNERSHIP IF THE LOAN OR OTHER BUSINESS TRANSACTION IS APPROVED PURSUANT  
41 TO SUBSECTION H, AND AS TO EACH LOAN OR TRANSACTION, THE RIGHTS AND  
42 OBLIGATIONS OF THE PARTNER ARE THE SAME AS THOSE OF A PERSON WHO IS NOT A  
43 PARTNER, SUBJECT TO OTHER APPLICABLE LAW.

1 G. THIS SECTION APPLIES TO A PERSON WINDING UP THE PARTNERSHIP  
2 BUSINESS AS THE PERSONAL OR LEGAL REPRESENTATIVE OF THE LAST SURVIVING  
3 PARTNER AS IF THE PERSON WERE A PARTNER.

4 H. ALL OF THE PARTNERS OR A LESSER NUMBER OR PERCENTAGE SPECIFIED IN  
5 THE PARTNERSHIP AGREEMENT MAY AUTHORIZE OR RATIFY AN ACT OR TRANSACTION THAT  
6 OTHERWISE WOULD VIOLATE A FIDUCIARY DUTY OF A PARTNER.

7 29-1035. Actions by partnership and partners

8 A. A PARTNERSHIP MAY MAINTAIN AN ACTION AGAINST A PARTNER FOR A BREACH  
9 OF THE PARTNERSHIP AGREEMENT, OR FOR THE VIOLATION OF A DUTY TO THE  
10 PARTNERSHIP, CAUSING HARM TO THE PARTNERSHIP.

11 B. A PARTNER MAY MAINTAIN AN ACTION AGAINST THE PARTNERSHIP OR ANOTHER  
12 PARTNER FOR LEGAL OR EQUITABLE RELIEF, WITH OR WITHOUT AN ACCOUNTING AS TO  
13 PARTNERSHIP BUSINESS, TO EITHER:

14 1. ENFORCE THE PARTNER'S RIGHTS UNDER THE PARTNERSHIP AGREEMENT.

15 2. ENFORCE THE PARTNER'S RIGHTS UNDER THIS CHAPTER, INCLUDING:

16 (a) THE PARTNER'S RIGHTS UNDER SECTION 29-1031, 29-1033 OR 29-1034.

17 (b) THE PARTNER'S RIGHT ON DISSOCIATION TO HAVE THE PARTNER'S INTEREST  
18 IN THE PARTNERSHIP PURCHASED PURSUANT TO SECTION 29-1061 OR ENFORCE ANY OTHER  
19 RIGHT UNDER ARTICLE 6 OR 7 OF THIS CHAPTER.

20 (c) THE PARTNER'S RIGHT TO COMPEL A DISSOLUTION AND WINDING UP OF THE  
21 PARTNERSHIP BUSINESS UNDER SECTION 29-1071 OR ENFORCE ANY OTHER RIGHT UNDER  
22 ARTICLE 8 OF THIS CHAPTER.

23 3. ENFORCE THE RIGHTS AND OTHERWISE PROTECT THE INTERESTS OF THE  
24 PARTNER, INCLUDING RIGHTS AND INTERESTS ARISING INDEPENDENTLY OF THE  
25 PARTNERSHIP RELATIONSHIP.

26 C. THE ACCRUAL OF, AND ANY TIME LIMITATION ON, A RIGHT OF ACTION FOR  
27 A REMEDY UNDER THIS SECTION IS GOVERNED BY OTHER LAW. A RIGHT TO AN  
28 ACCOUNTING ON A DISSOLUTION AND WINDING UP DOES NOT REVIVE A CLAIM BARRED BY  
29 LAW.

30 29-1036. Continuation of partnership beyond definite term or  
31 particular undertaking

32 A. IF A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR UNDERTAKING IS  
33 CONTINUED, WITHOUT AN EXPRESS AGREEMENT, AFTER THE EXPIRATION OF THE TERM OR  
34 COMPLETION OF THE UNDERTAKING, THE RIGHTS AND DUTIES OF THE PARTNERS REMAIN  
35 THE SAME AS THEY WERE AT THE EXPIRATION OR COMPLETION, AS FAR AS IS  
36 CONSISTENT WITH A PARTNERSHIP AT WILL.

37 B. IF THE PARTNERS, OR THOSE OF THEM WHO HABITUALLY ACTED IN THE  
38 BUSINESS DURING THE TERM OR UNDERTAKING, CONTINUE THE BUSINESS WITHOUT ANY  
39 SETTLEMENT OR LIQUIDATION OF THE PARTNERSHIP, THEY ARE PRESUMED TO HAVE  
40 AGREED THAT THE PARTNERSHIP CONTINUE.

ARTICLE 5. TRANSFEREES AND CREDITORS OF PARTNER

29-1041. Partner not co-owner of partnership property

A PARTNER IS NOT A CO-OWNER OF PARTNERSHIP PROPERTY AND HAS NO INTEREST IN PARTNERSHIP PROPERTY THAT CAN BE TRANSFERRED, EITHER VOLUNTARILY OR INVOLUNTARILY.

29-1042. Partner's transferable interest in partnership

THE ONLY TRANSFERABLE INTEREST OF A PARTNER IN THE PARTNERSHIP IS THE PARTNER'S SHARE OF THE PROFITS AND LOSSES OF THE PARTNERSHIP AND THE PARTNER'S RIGHT TO RECEIVE DISTRIBUTIONS. THE INTEREST IS PERSONAL PROPERTY.

29-1043. Transfer of partner's transferable interest

A. A TRANSFER, IN WHOLE OR IN PART, OF A PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP:

1. IS PERMISSIBLE.

2. DOES NOT BY ITSELF CAUSE THE PARTNER'S DISSOCIATION OR A DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS.

3. DOES NOT, AS AGAINST THE OTHER PARTNERS OR THE PARTNERSHIP, ENTITLE THE TRANSFEREE, DURING THE CONTINUANCE OF THE PARTNERSHIP, TO PARTICIPATE IN THE MANAGEMENT OR CONDUCT OF THE PARTNERSHIP BUSINESS, TO REQUIRE ACCESS TO INFORMATION CONCERNING PARTNERSHIP TRANSACTIONS OR TO INSPECT OR COPY THE PARTNERSHIP BOOKS OR RECORDS.

B. A TRANSFEREE OF A PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP HAS A RIGHT TO:

1. RECEIVE, IN ACCORDANCE WITH THE TRANSFER, DISTRIBUTIONS TO WHICH THE TRANSFEROR WOULD OTHERWISE BE ENTITLED.

2. RECEIVE ON THE DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS, IN ACCORDANCE WITH THE TRANSFER, THE NET AMOUNT OTHERWISE DISTRIBUTABLE TO THE TRANSFEROR.

3. SEEK UNDER SECTION 29-1071, PARAGRAPH 6 A JUDICIAL DETERMINATION THAT IT IS EQUITABLE TO WIND UP THE PARTNERSHIP BUSINESS.

C. IN A DISSOLUTION AND WINDING UP, A TRANSFEREE IS ENTITLED TO AN ACCOUNT OF PARTNERSHIP TRANSACTIONS ONLY FROM THE DATE OF THE LATEST ACCOUNT AGREED TO BY ALL OF THE PARTNERS.

D. ON TRANSFER, THE TRANSFEROR RETAINS THE RIGHTS AND DUTIES OF A PARTNER OTHER THAN THE INTEREST IN DISTRIBUTIONS TRANSFERRED.

E. A PARTNERSHIP NEED NOT GIVE EFFECT TO A TRANSFEREE'S RIGHTS UNDER THIS SECTION UNTIL IT HAS NOTICE OF THE TRANSFER.

F. A TRANSFER OF A PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP IN VIOLATION OF A RESTRICTION ON TRANSFER CONTAINED IN THE PARTNERSHIP AGREEMENT IS INEFFECTIVE AS TO A PERSON HAVING NOTICE OF THE RESTRICTION AT THE TIME OF TRANSFER.

29-1044. Partner's transferable interest subject to charging order

A. ON APPLICATION BY A JUDGMENT CREDITOR OF A PARTNER OR OF A PARTNER'S TRANSFEREE, A COURT HAVING JURISDICTION MAY CHARGE THE TRANSFERABLE

1 INTEREST OF THE JUDGMENT DEBTOR TO SATISFY THE JUDGMENT. THE COURT MAY  
2 APPOINT A RECEIVER OF THE SHARE OF THE DISTRIBUTIONS DUE OR TO BECOME DUE TO  
3 THE JUDGMENT DEBTOR IN RESPECT OF THE PARTNERSHIP AND MAY MAKE ALL OTHER  
4 ORDERS, DIRECTIONS, ACCOUNTS AND INQUIRIES THE JUDGMENT DEBTOR MIGHT HAVE  
5 MADE OR THAT THE CIRCUMSTANCES OF THE CASE MAY REQUIRE.

6 B. A CHARGING ORDER CONSTITUTES A LIEN ON THE JUDGMENT DEBTOR'S  
7 TRANSFERABLE INTEREST IN THE PARTNERSHIP. THE COURT MAY ORDER A FORECLOSURE  
8 OF THE INTEREST SUBJECT TO THE CHARGING ORDER AT ANY TIME. THE PURCHASER AT  
9 THE FORECLOSURE SALE HAS THE RIGHTS OF A TRANSFEREE.

10 C. AT ANY TIME BEFORE FORECLOSURE, AN INTEREST CHARGED MAY BE REDEEMED.  
11 EITHER:

- 12 1. BY THE JUDGMENT DEBTOR.  
13 2. WITH PROPERTY OTHER THAN PARTNERSHIP PROPERTY, BY ONE OR MORE OF  
14 THE OTHER PARTNERS.  
15 3. WITH PARTNERSHIP PROPERTY, BY ONE OR MORE OF THE OTHER PARTNERS  
16 WITH THE CONSENT OF ALL OF THE PARTNERS WHOSE INTERESTS ARE NOT SO CHARGED.

17 D. THIS CHAPTER DOES NOT DEPRIVE A PARTNER OF A RIGHT UNDER EXEMPTION  
18 LAWS WITH RESPECT TO THE PARTNER'S INTEREST IN THE PARTNERSHIP.

19 E. THIS SECTION PROVIDES THE EXCLUSIVE REMEDY BY WHICH A JUDGMENT  
20 CREDITOR OF A PARTNER OR PARTNER'S TRANSFEREE MAY SATISFY A JUDGMENT OUT OF  
21 THE JUDGMENT DEBTOR'S TRANSFERABLE INTEREST IN THE PARTNERSHIP.

22 ARTICLE 6. PARTNER'S DISSOCIATION

23 29-1051. Events causing partner's dissociation

24 A PARTNER IS DISSOCIATED FROM A PARTNERSHIP ON THE OCCURRENCE OF ANY  
25 OF THE FOLLOWING EVENTS:

- 26 1. THE PARTNERSHIP'S HAVING NOTICE OF THE PARTNER'S EXPRESS WILL TO  
27 WITHDRAW AS A PARTNER OR ON A LATER DATE SPECIFIED BY THE PARTNER.  
28 2. AN EVENT AGREED TO IN THE PARTNERSHIP AGREEMENT AS CAUSING THE  
29 PARTNER'S DISSOCIATION.  
30 3. THE PARTNER'S EXPULSION PURSUANT TO THE PARTNERSHIP AGREEMENT.  
31 4. THE PARTNER'S EXPULSION BY THE UNANIMOUS VOTE OF THE OTHER PARTNERS

32 IF EITHER:

33 (a) IT IS UNLAWFUL TO CARRY ON THE PARTNERSHIP BUSINESS WITH THAT  
34 PARTNER.

35 (b) THERE HAS BEEN A TRANSFER OF ALL OR SUBSTANTIALLY ALL OF THAT  
36 PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP, OTHER THAN A TRANSFER FOR  
37 SECURITY PURPOSES THAT HAS NOT BEEN FORECLOSED, OR A COURT ORDER CHARGING THE  
38 PARTNER'S INTEREST, THAT HAS NOT BEEN FORECLOSED.

39 (c) WITHIN NINETY DAYS AFTER THE PARTNERSHIP NOTIFIES A CORPORATE  
40 PARTNER THAT IT WILL BE EXPELLED BECAUSE IT HAS FILED A CERTIFICATE OF  
41 DISSOLUTION OR THE EQUIVALENT, ITS CHARTER HAS BEEN REVOKED OR ITS RIGHT TO  
42 CONDUCT BUSINESS HAS BEEN SUSPENDED BY THE JURISDICTION OF ITS INCORPORATION,  
43 THERE IS NO REVOCATION OF THE CERTIFICATE OF DISSOLUTION OR NO REINSTATEMENT  
44 OF ITS CHARTER OR ITS RIGHT TO CONDUCT BUSINESS.

1 (d) A PARTNERSHIP, LIMITED PARTNERSHIP OR LIMITED LIABILITY COMPANY  
2 THAT IS A PARTNER HAS BEEN DISSOLVED AND ITS BUSINESS IS BEING WOUND UP.

3 5. ON APPLICATION BY THE PARTNERSHIP OR ANOTHER PARTNER, THE PARTNER'S  
4 EXPULSION BY JUDICIAL DETERMINATION BECAUSE EITHER:

5 (a) THE PARTNER ENGAGED IN WRONGFUL CONDUCT THAT ADVERSELY AND  
6 MATERIALLY AFFECTED THE PARTNERSHIP BUSINESS.

7 (b) THE PARTNER WILFULLY OR PERSISTENTLY COMMITTED A MATERIAL BREACH  
8 OF THE PARTNERSHIP AGREEMENT OR OF A DUTY OWED TO THE PARTNERSHIP OR THE  
9 OTHER PARTNERS UNDER SECTION 29-1034.

10 (c) THE PARTNER ENGAGED IN CONDUCT RELATING TO THE PARTNERSHIP  
11 BUSINESS THAT MAKES IT NOT REASONABLY PRACTICABLE TO CARRY ON THE BUSINESS  
12 IN PARTNERSHIP WITH THE PARTNER.

13 6. THE PARTNER EITHER:

14 (a) BECOMES A DEBTOR IN BANKRUPTCY.

15 (b) EXECUTES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS.

16 (c) SEEKS, CONSENTS TO OR ACQUIESCES IN THE APPOINTMENT OF A TRUSTEE,  
17 RECEIVER OR LIQUIDATOR OF THAT PARTNER OR OF ALL OR SUBSTANTIALLY ALL OF THAT  
18 PARTNER'S PROPERTY.

19 (d) FAILS, WITHIN NINETY DAYS AFTER THE APPOINTMENT, TO HAVE VACATED  
20 OR STAYED THE APPOINTMENT OF A TRUSTEE, RECEIVER OR LIQUIDATOR OF THE PARTNER  
21 OR OF ALL OR SUBSTANTIALLY ALL OF THE PARTNER'S PROPERTY OBTAINED WITHOUT THE  
22 PARTNER'S CONSENT OR ACQUIESCENCE, OR FAILS WITHIN NINETY DAYS AFTER THE  
23 EXPIRATION OF A STAY TO HAVE THE APPOINTMENT VACATED.

24 7. IN THE CASE OF A PARTNER WHO IS AN INDIVIDUAL EITHER:

25 (a) THE PARTNER'S DEATH.

26 (b) THE APPOINTMENT OF A GUARDIAN OR GENERAL CONSERVATOR FOR THE  
27 PARTNER.

28 (c) A JUDICIAL DETERMINATION THAT THE PARTNER HAS OTHERWISE BECOME  
29 INCAPABLE OF PERFORMING THE PARTNER'S DUTIES UNDER THE PARTNERSHIP AGREEMENT.

30 8. IN THE CASE OF A PARTNER THAT IS A TRUST OR IS ACTING AS A PARTNER  
31 BY VIRTUE OF BEING A TRUSTEE OF A TRUST, DISTRIBUTION OF THE TRUST'S ENTIRE  
32 TRANSFERABLE INTEREST IN THE PARTNERSHIP, BUT NOT MERELY BY REASON OF THE  
33 SUBSTITUTION OF A SUCCESSOR TRUSTEE.

34 9. IN THE CASE OF A PARTNER THAT IS AN ESTATE OR THAT IS ACTING AS A  
35 PARTNER BY VIRTUE OF BEING A PERSONAL REPRESENTATIVE OF AN ESTATE,  
36 DISTRIBUTION OF THE ESTATE'S ENTIRE TRANSFERABLE INTEREST IN THE PARTNERSHIP,  
37 BUT NOT MERELY BY REASON OF THE SUBSTITUTION OF A SUCCESSOR PERSONAL  
38 REPRESENTATIVE.

39 10. TERMINATION OF A PARTNER'S EXISTENCE.

40 29-1052. Partner's power to dissociate; wrongful dissociation

41 A. A PARTNER HAS THE POWER TO DISSOCIATE AT ANY TIME, RIGHTFULLY OR  
42 WRONGFULLY, BY EXPRESS WILL PURSUANT TO SECTION 29-1051, PARAGRAPH 1.

43 B. A PARTNER'S DISSOCIATION IS WRONGFUL ONLY IF EITHER:

1 1. IT IS IN BREACH OF AN EXPRESS PROVISION OF THE PARTNERSHIP  
2 AGREEMENT.

3 2. IN THE CASE OF A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR  
4 UNDERTAKING, BEFORE THE EXPIRATION OF THE TERM OR THE COMPLETION OF THE  
5 UNDERTAKING EITHER:

6 (a) THE PARTNER WITHDRAWS BY EXPRESS WILL, UNLESS THE WITHDRAWAL  
7 FOLLOWS WITHIN NINETY DAYS AFTER ANOTHER PARTNER'S DISSOCIATION BY DEATH OR  
8 OTHERWISE UNDER SECTION 29-1051, PARAGRAPHS 6 THROUGH 10 OR WRONGFUL  
9 DISSOCIATION UNDER THIS SUBSECTION.

10 (b) THE PARTNER IS EXPELLED BY JUDICIAL DETERMINATION UNDER SECTION  
11 29-1051, PARAGRAPH 5.

12 (c) THE PARTNER IS DISSOCIATED BY BECOMING A DEBTOR IN BANKRUPTCY.

13 (d) IN THE CASE OF A PARTNER WHO IS NOT AN INDIVIDUAL, TRUST OTHER  
14 THAN A BUSINESS TRUST, OR ESTATE, THE PARTNER IS EXPELLED OR OTHERWISE  
15 DISSOCIATED BECAUSE IT WILFULLY DISSOLVED OR TERMINATED.

16 C. A PARTNER WHO WRONGFULLY DISSOCIATES IS LIABLE TO THE PARTNERSHIP  
17 AND TO THE OTHER PARTNERS FOR DAMAGES CAUSED BY THE DISSOCIATION. THE  
18 LIABILITY IS IN ADDITION TO ANY OTHER OBLIGATION OF THE PARTNER TO THE  
19 PARTNERSHIP OR TO THE OTHER PARTNERS.

20 29-1053. Effect of partner's dissociation

21 A. IF A PARTNER'S DISSOCIATION RESULTS IN A DISSOLUTION AND WINDING  
22 UP OF THE PARTNERSHIP BUSINESS, ARTICLE 8 OF THIS CHAPTER APPLIES.  
23 OTHERWISE, ARTICLE 7 OF THIS CHAPTER APPLIES.

24 B. ON A PARTNER'S DISSOCIATION:

25 1. THE PARTNER'S RIGHT TO PARTICIPATE IN THE MANAGEMENT AND CONDUCT  
26 OF THE PARTNERSHIP BUSINESS TERMINATES, EXCEPT AS OTHERWISE PROVIDED IN  
27 SECTION 29-1073.

28 2. THE PARTNER'S DUTY OF LOYALTY UNDER SECTION 29-1034, SUBSECTION B,  
29 PARAGRAPH 3 TERMINATES.

30 3. THE PARTNER'S DUTY OF LOYALTY UNDER SECTION 29-1034, SUBSECTION B,  
31 PARAGRAPHS 1 AND 2 AND DUTY OF CARE UNDER SECTION 29-1034, SUBSECTION C  
32 CONTINUE ONLY WITH REGARD TO MATTERS ARISING AND EVENTS OCCURRING BEFORE THE  
33 PARTNER'S DISSOCIATION, UNLESS THE PARTNER PARTICIPATES IN WINDING UP THE  
34 PARTNERSHIP'S BUSINESS PURSUANT TO SECTION 29-1073 IN WHICH EVENT THOSE  
35 DUTIES CONTINUE AS TO ALL MATTERS ARISING AND EVENTS OCCURRING DURING THE  
36 WINDING UP.

37 ARTICLE 7. PARTNER'S DISSOCIATION WHEN  
38 BUSINESS NOT WOUND UP

39 29-1061. Purchase of dissociated partner's interest

40 A. IF A PARTNER IS DISSOCIATED FROM A PARTNERSHIP WITHOUT RESULTING  
41 IN A DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS UNDER SECTION  
42 29-1071, THE PARTNERSHIP SHALL CAUSE THE DISSOCIATED PARTNER'S INTEREST, IF  
43 ANY, IN THE PARTNERSHIP TO BE PURCHASED FOR A BUYOUT PRICE DETERMINED  
44 PURSUANT TO SUBSECTION B OF THIS SECTION.

1           B. THE BUYOUT PRICE OF A DISSOCIATED PARTNER'S INTEREST IS THE AMOUNT  
2 THAT WOULD HAVE BEEN DISTRIBUTABLE TO THE DISSOCIATING PARTNER UNDER SECTION  
3 29-1077, SUBSECTION B IF, ON THE DATE OF DISSOCIATION, THE ASSETS OF THE  
4 PARTNERSHIP WERE SOLD AT A PRICE EQUAL TO THE GREATER OF THE LIQUIDATION  
5 VALUE OR THE VALUE BASED ON A SALE OF THE ENTIRE BUSINESS AS A GOING CONCERN  
6 WITHOUT THE CONTINUING SERVICES OF ANY OF THE PARTNERS AND THE PARTNERSHIP  
7 WERE WOUND UP AS OF THAT DATE. INTEREST SHALL BE PAID FROM THE DATE OF  
8 DISSOCIATION TO THE DATE OF PAYMENT.

9           C. DAMAGES FOR WRONGFUL DISSOCIATION UNDER SECTION 29-1052, SUBSECTION  
10 B, AND ALL OTHER AMOUNTS OWING, WHETHER OR NOT PRESENTLY DUE, FROM THE  
11 DISSOCIATED PARTNER TO THE PARTNERSHIP, SHALL BE OFFSET AGAINST THE BUYOUT  
12 PRICE. INTEREST SHALL BE PAID FROM THE DATE THE AMOUNT OWED BECOMES DUE TO  
13 THE DATE OF PAYMENT.

14           D. A PARTNERSHIP SHALL INDEMNIFY A DISSOCIATED PARTNER WHOSE INTEREST  
15 IS BEING PURCHASED AGAINST ALL PARTNERSHIP LIABILITIES, WHETHER INCURRED  
16 BEFORE OR AFTER THE DISSOCIATION, EXCEPT LIABILITIES INCURRED BY AN ACT OF  
17 THE DISSOCIATED PARTNER UNDER SECTION 29-1062.

18           E. IF NO AGREEMENT FOR THE PURCHASE OF A DISSOCIATED PARTNER'S  
19 INTEREST IS REACHED WITHIN ONE HUNDRED TWENTY DAYS AFTER A WRITTEN DEMAND FOR  
20 PAYMENT, THE PARTNERSHIP SHALL PAY, OR CAUSE TO BE PAID, IN CASH TO THE  
21 DISSOCIATED PARTNER THE AMOUNT, IF ANY, THE PARTNERSHIP ESTIMATES TO BE THE  
22 BUYOUT PRICE AND ACCRUED INTEREST, REDUCED BY ANY OFFSETS AND ACCRUED  
23 INTEREST UNDER SUBSECTION C OF THIS SECTION.

24           F. IF A DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION H OF THIS  
25 SECTION, THE PARTNERSHIP MAY TENDER A WRITTEN OFFER TO PAY THE AMOUNT IT  
26 ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST, REDUCED BY ANY OFFSETS  
27 UNDER SUBSECTION C OF THIS SECTION, STATING THE TIME OF PAYMENT, THE AMOUNT  
28 AND TYPE OF SECURITY FOR PAYMENT AND THE OTHER TERMS AND CONDITIONS OF THE  
29 OBLIGATION.

30           G. THE PAYMENT OR TENDER REQUIRED BY SUBSECTION E OR F OF THIS SECTION  
31 SHALL BE ACCOMPANIED BY THE FOLLOWING:

32           1. A WRITTEN STATEMENT OF PARTNERSHIP ASSETS AND LIABILITIES AS OF THE  
33 DATE OF DISSOCIATION.

34           2. THE LATEST AVAILABLE PARTNERSHIP BALANCE SHEET AND INCOME  
35 STATEMENT, IF ANY.

36           3. A WRITTEN EXPLANATION OF HOW THE ESTIMATED AMOUNT OF THE PAYMENT  
37 WAS CALCULATED.

38           4. WRITTEN NOTICE THAT THE PAYMENT IS IN FULL SATISFACTION OF THE  
39 OBLIGATION TO PURCHASE UNLESS, WITHIN ONE HUNDRED TWENTY DAYS AFTER THE  
40 WRITTEN NOTICE, THE DISSOCIATED PARTNER COMMENCES AN ACTION TO DETERMINE THE  
41 BUYOUT PRICE, ANY OFFSETS UNDER SUBSECTION C OF THIS SECTION OR OTHER TERMS  
42 OF THE OBLIGATION TO PURCHASE.

43           H. A PARTNER WHO WRONGFULLY DISSOCIATES BEFORE THE EXPIRATION OF A  
44 DEFINITE TERM OR THE COMPLETION OF A PARTICULAR UNDERTAKING IS NOT ENTITLED

1 TO PAYMENT OF ANY PORTION OF THE BUYOUT PRICE UNTIL THE EXPIRATION OF THE  
2 TERM OR COMPLETION OF THE UNDERTAKING, UNLESS THE PARTNER ESTABLISHES TO THE  
3 SATISFACTION OF THE COURT THAT EARLIER PAYMENT WILL NOT CAUSE MATERIAL  
4 HARDSHIP TO THE BUSINESS OF THE PARTNERSHIP. A DEFERRED PAYMENT SHALL BEAR  
5 INTEREST AND SHALL BE ADEQUATELY SECURED BY PARTNERSHIP ASSETS IF AND TO THE  
6 EXTENT REASONABLY PRACTICABLE.

7 I. A DISSOCIATED PARTNER MAY MAINTAIN AN ACTION AGAINST THE  
8 PARTNERSHIP, PURSUANT TO SECTION 29-1035, SUBSECTION B, PARAGRAPH 2,  
9 SUBDIVISION (b), TO DETERMINE THE BUYOUT PRICE OF THAT PARTNER'S INTEREST,  
10 ANY OFFSETS UNDER SUBSECTION C OF THIS SECTION OR OTHER TERMS OF THE  
11 OBLIGATION TO PURCHASE. THE ACTION SHALL BE COMMENCED WITHIN ONE HUNDRED  
12 TWENTY DAYS AFTER THE PARTNERSHIP TENDERS PAYMENT OR AN OFFER TO PAY OR  
13 WITHIN ONE YEAR AFTER WRITTEN DEMAND FOR PAYMENT IF NO PAYMENT OR OFFER TO  
14 PAY IS TENDERED. THE COURT SHALL DETERMINE THE BUYOUT PRICE OF THE  
15 DISSOCIATED PARTNER'S INTEREST, ANY OFFSET DUE UNDER SUBSECTION C OF THIS  
16 SECTION AND ACCRUED INTEREST AND SHALL ENTER JUDGMENT FOR ANY ADDITIONAL  
17 PAYMENT OR REFUND. IF DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION H OF  
18 THIS SECTION, THE COURT SHALL ALSO DETERMINE THE SECURITY FOR PAYMENT AND  
19 OTHER TERMS OF THE OBLIGATION TO PURCHASE. THE COURT MAY ASSESS REASONABLE  
20 ATTORNEY FEES AND THE FEES AND EXPENSES OF APPRAISERS OR OTHER EXPERTS FOR  
21 A PARTY TO THE ACTION, IN AMOUNTS THE COURT FINDS EQUITABLE, AGAINST A PARTY  
22 THAT THE COURT FINDS ACTED ARBITRARILY, VEXATIOUSLY OR NOT IN GOOD FAITH.  
23 THE FINDING MAY BE BASED ON THE PARTNERSHIP'S FAILURE TO TENDER PAYMENT OR  
24 AN OFFER TO PAY OR TO COMPLY WITH SUBSECTION G OF THIS SECTION.

25 29-1062. Dissociated partner's power to bind and liability to  
26 partnership

27 A. FOR TWO YEARS AFTER A PARTNER DISSOCIATES WITHOUT RESULTING IN A  
28 DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS, THE PARTNERSHIP,  
29 INCLUDING A SURVIVING PARTNERSHIP UNDER ARTICLE 9 OF THIS CHAPTER, IS BOUND  
30 BY AN ACT OF THE DISSOCIATED PARTNER THAT WOULD HAVE BOUND THE PARTNERSHIP  
31 UNDER SECTION 29-1021 BEFORE DISSOCIATION ONLY IF AT THE TIME OF ENTERING  
32 INTO THE TRANSACTION THE OTHER PARTY:

33 1. REASONABLY BELIEVED THAT THE DISSOCIATED PARTNER WAS THEN A  
34 PARTNER.

35 2. DID NOT HAVE NOTICE OF THE PARTNER'S DISSOCIATION.

36 3. IS NOT DEEMED TO HAVE HAD KNOWLEDGE UNDER SECTION 29-1023,  
37 SUBSECTION E OR NOTICE UNDER SECTION 29-1064, SUBSECTION C.

38 B. A DISSOCIATED PARTNER IS LIABLE TO THE PARTNERSHIP FOR ANY DAMAGE  
39 CAUSED TO THE PARTNERSHIP ARISING FROM AN OBLIGATION INCURRED BY THE  
40 DISSOCIATED PARTNER AFTER DISSOCIATION FOR WHICH THE PARTNERSHIP IS LIABLE  
41 UNDER SUBSECTION A OF THIS SECTION.

42 29-1063. Dissociated partner's liability to other persons

43 A. A PARTNER'S DISSOCIATION DOES NOT OF ITSELF DISCHARGE THE PARTNER'S  
44 LIABILITY FOR A PARTNERSHIP OBLIGATION INCURRED BEFORE DISSOCIATION. A

1 DISSOCIATED PARTNER IS NOT LIABLE FOR A PARTNERSHIP OBLIGATION INCURRED AFTER  
2 DISSOCIATION, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION B OF THIS SECTION.

3 B. A PARTNER WHO DISSOCIATES WITHOUT RESULTING IN A DISSOLUTION AND  
4 WINDING UP OF THE PARTNERSHIP BUSINESS IS LIABLE AS A PARTNER TO THE OTHER  
5 PARTY IN A TRANSACTION ENTERED INTO BY THE PARTNERSHIP, OR A SURVIVING  
6 PARTNERSHIP PURSUANT TO ANY MERGER PERMITTED BY LAW, WITHIN TWO YEARS AFTER  
7 THE PARTNER'S DISSOCIATION, ONLY IF THE PARTNER IS LIABLE FOR THE OBLIGATION  
8 UNDER SECTION 29-1026 AND AT THE TIME OF ENTERING INTO THE TRANSACTION THE  
9 OTHER PARTY:

10 1. RELIED ON A REASONABLE BELIEF THAT THE DISSOCIATED PARTNER WAS THEN  
11 A PARTNER.

12 2. DID NOT HAVE NOTICE OF THE PARTNER'S DISSOCIATION.

13 3. IS NOT DEEMED TO HAVE HAD KNOWLEDGE UNDER SECTION 29-1023,  
14 SUBSECTION E OR NOTICE UNDER SECTION 29-1064, SUBSECTION C.

15 C. BY AGREEMENT WITH THE PARTNERSHIP CREDITOR AND THE PARTNERS  
16 CONTINUING THE BUSINESS, A DISSOCIATED PARTNER MAY BE RELEASED FROM LIABILITY  
17 FOR A PARTNERSHIP OBLIGATION.

18 D. A DISSOCIATED PARTNER IS RELEASED FROM LIABILITY FOR A PARTNERSHIP  
19 OBLIGATION IF A PARTNERSHIP CREDITOR, WITH NOTICE OF THE PARTNER'S  
20 DISSOCIATION BUT WITHOUT THE PARTNER'S CONSENT, AGREES TO A MATERIAL  
21 ALTERATION IN THE NATURE OR TIME OF PAYMENT OF A PARTNERSHIP OBLIGATION.

22 29-1064. Statement of dissociation

23 A. A DISSOCIATED PARTNER OR THE PARTNERSHIP MAY FILE A STATEMENT OF  
24 DISSOCIATION STATING THE NAME OF THE PARTNERSHIP AND THAT THE PARTNER IS  
25 DISSOCIATED FROM THE PARTNERSHIP.

26 B. A STATEMENT OF DISSOCIATION IS A LIMITATION ON THE AUTHORITY OF A  
27 DISSOCIATED PARTNER FOR THE PURPOSES OF SECTION 29-1023, SUBSECTIONS D  
28 AND E.

29 C. FOR THE PURPOSES OF SECTION 29-1062, SUBSECTION A, PARAGRAPH 3 AND  
30 SECTION 29-1063, SUBSECTION B, PARAGRAPH 3, A PERSON WHO IS NOT A PARTNER IS  
31 DEEMED TO HAVE NOTICE OF THE DISSOCIATION NINETY DAYS AFTER THE STATEMENT OF  
32 DISSOCIATION IS FILED.

33 29-1065. Continued use of partnership name

34 CONTINUED USE OF A PARTNERSHIP NAME, OR A DISSOCIATED PARTNER'S NAME  
35 AS PART OF A PARTNERSHIP NAME, BY PARTNERS CONTINUING THE BUSINESS DOES NOT  
36 OF ITSELF MAKE THE DISSOCIATED PARTNER LIABLE FOR AN OBLIGATION OF THE  
37 PARTNERS OR THE PARTNERSHIP CONTINUING THE BUSINESS.

38 ARTICLE 8. WINDING UP PARTNERSHIP BUSINESS

39 29-1071. Events causing dissolution and winding up of  
40 partnership business

41 A PARTNERSHIP IS DISSOLVED, AND ITS BUSINESS SHALL BE WOUND UP, ONLY  
42 ON THE OCCURRENCE OF ANY OF THE FOLLOWING EVENTS:

43 1. IN A PARTNERSHIP AT WILL, THE PARTNERSHIP'S HAVING NOTICE FROM A  
44 PARTNER, OTHER THAN A PARTNER WHO IS DISSOCIATED UNDER SECTION 29-1051,

1 PARAGRAPHS 2 THROUGH 10, OF THAT PARTNER'S EXPRESS WILL TO WITHDRAW AS A  
2 PARTNER, OR ON A LATER DATE SPECIFIED BY THE PARTNER.

3 2. IN A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR UNDERTAKING  
4 EITHER:

5 (a) THE EXPIRATION OF NINETY DAYS AFTER A PARTNER'S DISSOCIATION BY  
6 DEATH OR OTHERWISE UNDER SECTION 29-1051, PARAGRAPHS 6 THROUGH 10 OR WRONGFUL  
7 DISSOCIATION UNDER SECTION 29-1052, SUBSECTION B, UNLESS BEFORE THAT TIME A  
8 MAJORITY IN INTEREST OF THE REMAINING PARTNERS, INCLUDING PARTNERS WHO HAVE  
9 RIGHTFULLY DISSOCIATED PURSUANT TO SECTION 29-1052, SUBSECTION B, PARAGRAPH  
10 2, SUBDIVISION (a), AGREES TO CONTINUE THE PARTNERSHIP.

11 (b) THE EXPRESS WILL OF ALL OF THE PARTNERS TO WIND UP THE PARTNERSHIP  
12 BUSINESS.

13 (c) AFTER THE EXPIRATION OF THE TERM, AT THE ELECTION OF ANY PARTNER  
14 BY WRITTEN NOTICE TO THE PARTNERSHIP, OR ON THE COMPLETION OF THE  
15 UNDERTAKING.

16 3. AN EVENT AGREED TO IN THE PARTNERSHIP AGREEMENT RESULTING IN THE  
17 WINDING UP OF THE PARTNERSHIP BUSINESS.

18 4. AN EVENT THAT MAKES IT UNLAWFUL FOR ALL OR SUBSTANTIALLY ALL OF THE  
19 BUSINESS OF THE PARTNERSHIP TO BE CONTINUED, BUT A CURE OF ILLEGALITY WITHIN  
20 NINETY DAYS AFTER NOTICE TO THE PARTNERSHIP OF THE EVENT IS EFFECTIVE  
21 RETROACTIVELY TO THE DATE OF THE EVENT FOR PURPOSES OF THIS SECTION.

22 5. ON APPLICATION BY A PARTNER, A JUDICIAL DETERMINATION THAT EITHER:

23 (a) THE ECONOMIC PURPOSE OF THE PARTNERSHIP IS LIKELY TO BE  
24 UNREASONABLY FRUSTRATED.

25 (b) ANOTHER PARTNER HAS ENGAGED IN CONDUCT RELATING TO THE PARTNERSHIP  
26 BUSINESS THAT MAKES IT NOT REASONABLY PRACTICABLE TO CARRY ON THE BUSINESS  
27 IN PARTNERSHIP WITH THAT PARTNER.

28 (c) IT IS NOT OTHERWISE REASONABLY PRACTICABLE TO CARRY ON THE  
29 PARTNERSHIP BUSINESS IN CONFORMITY WITH THE PARTNERSHIP AGREEMENT.

30 6. ON APPLICATION BY A TRANSFEREE OF A PARTNER'S TRANSFERABLE  
31 INTEREST, A JUDICIAL DETERMINATION THAT IT IS EQUITABLE TO WIND UP THE  
32 PARTNERSHIP BUSINESS EITHER:

33 (a) AFTER THE EXPIRATION OF THE TERM OR COMPLETION OF THE UNDERTAKING,  
34 IF THE PARTNERSHIP WAS FOR A DEFINITE TERM OR PARTICULAR UNDERTAKING AT THE  
35 TIME OF THE TRANSFER OR ENTRY OF THE CHARGING ORDER THAT GAVE RISE TO THE  
36 TRANSFER.

37 (b) AT ANY TIME, IF THE PARTNERSHIP WAS A PARTNERSHIP AT WILL AT THE  
38 TIME OF THE TRANSFER OR ENTRY OF THE CHARGING ORDER THAT GAVE RISE TO THE  
39 TRANSFER.

40 29-1072. Partnership continues after dissolution

41 A. SUBJECT TO SUBSECTION B OF THIS SECTION, A PARTNERSHIP CONTINUES  
42 AFTER DISSOLUTION ONLY FOR THE PURPOSE OF WINDING UP ITS BUSINESS. THE  
43 PARTNERSHIP IS TERMINATED WHEN THE WINDING UP OF ITS BUSINESS IS COMPLETED.

1           B. AT ANY TIME AFTER THE DISSOLUTION OF A PARTNERSHIP AND BEFORE THE  
2 WINDING UP OF ITS BUSINESS IS COMPLETED, ALL OF THE PARTNERS, INCLUDING ANY  
3 DISSOCIATING PARTNER OTHER THAN A WRONGFULLY DISSOCIATING PARTNER, MAY WAIVE  
4 THE RIGHT TO HAVE THE PARTNERSHIP'S BUSINESS WOUND UP AND THE PARTNERSHIP  
5 TERMINATED. IN THAT EVENT BOTH:

6           1. THE PARTNERSHIP RESUMES CARRYING ON ITS BUSINESS AS IF DISSOLUTION  
7 HAD NEVER OCCURRED, AND ANY LIABILITY INCURRED BY THE PARTNERSHIP OR A  
8 PARTNER AFTER THE DISSOLUTION AND BEFORE THE WAIVER IS DETERMINED AS IF  
9 DISSOLUTION HAD NEVER OCCURRED.

10           2. THE RIGHTS OF A THIRD PARTY ACCRUING UNDER SECTION 29-1074,  
11 PARAGRAPH 1 OR ARISING OUT OF CONDUCT IN RELIANCE ON THE DISSOLUTION BEFORE  
12 THE THIRD PARTY KNEW OR RECEIVED A NOTIFICATION OF THE WAIVER ARE NOT  
13 ADVERSELY AFFECTED.

14           29-1073. Right to wind up partnership business

15           A. AFTER DISSOLUTION, A PARTNER WHO HAS NOT WRONGFULLY DISSOCIATED MAY  
16 PARTICIPATE IN WINDING UP THE PARTNERSHIP'S BUSINESS, BUT ON APPLICATION OF  
17 ANY PARTNER, PARTNER'S LEGAL REPRESENTATIVE OR TRANSFEREE, THE SUPERIOR  
18 COURT, FOR GOOD CAUSE SHOWN, MAY ORDER JUDICIAL SUPERVISION OF THE WINDING  
19 UP.

20           B. THE LEGAL REPRESENTATIVE OF THE LAST SURVIVING PARTNER MAY WIND UP  
21 A PARTNERSHIP'S BUSINESS.

22           C. A PERSON WINDING UP A PARTNERSHIP'S BUSINESS MAY PRESERVE THE  
23 PARTNERSHIP BUSINESS OR PROPERTY AS A GOING CONCERN FOR A REASONABLE TIME,  
24 PROSECUTE AND DEFEND ACTIONS AND PROCEEDINGS, WHETHER CIVIL, CRIMINAL OR  
25 ADMINISTRATIVE, SETTLE AND CLOSE THE PARTNERSHIP'S BUSINESS, DISPOSE OF AND  
26 TRANSFER THE PARTNERSHIP'S PROPERTY, DISCHARGE THE PARTNERSHIP'S LIABILITIES,  
27 DISTRIBUTE THE ASSETS OF THE PARTNERSHIP PURSUANT TO SECTION 29-1077, SETTLE  
28 DISPUTES BY MEDIATION, ARBITRATION OR OTHERWISE AND PERFORM OTHER NECESSARY  
29 ACTS.

30           29-1074. Partner's power to bind partnership after dissolution

31           SUBJECT TO SECTION 29-1075, A PARTNERSHIP IS BOUND BY A PARTNER'S ACT  
32 AFTER DISSOLUTION THAT EITHER:

33           1. IS APPROPRIATE FOR WINDING UP THE PARTNERSHIP BUSINESS.

34           2. WOULD HAVE BOUND THE PARTNERSHIP UNDER SECTION 29-1021 BEFORE  
35 DISSOLUTION, IF THE OTHER PARTY TO THE TRANSACTION DID NOT HAVE NOTICE OF THE  
36 DISSOLUTION.

37           29-1075. Statement of dissolution

38           A. AFTER DISSOLUTION, A PARTNER WHO HAS NOT WRONGFULLY DISSOCIATED MAY  
39 FILE A STATEMENT OF DISSOLUTION STATING THE NAME OF THE PARTNERSHIP AND THAT  
40 THE PARTNERSHIP HAS DISSOLVED AND IS WINDING UP ITS BUSINESS.

41           B. A STATEMENT OF DISSOLUTION CANCELS A FILED STATEMENT OF PARTNERSHIP  
42 AUTHORITY FOR THE PURPOSES OF SECTION 29-1023, SUBSECTION D AND IS A  
43 LIMITATION ON AUTHORITY FOR THE PURPOSES OF SECTION 29-1023, SUBSECTION E.

1 C. FOR THE PURPOSES OF SECTIONS 29-1021 AND 29-1074, A PERSON WHO IS  
2 NOT A PARTNER IS DEEMED TO HAVE NOTICE OF THE DISSOLUTION AND THE LIMITATION  
3 ON THE PARTNERS' AUTHORITY AS A RESULT OF THE STATEMENT OF DISSOLUTION NINETY  
4 DAYS AFTER IT IS FILED.

5 D. AFTER FILING AND, IF APPROPRIATE, RECORDING A STATEMENT OF  
6 DISSOLUTION, A DISSOLVED PARTNERSHIP MAY FILE AND, IF APPROPRIATE, RECORD A  
7 STATEMENT OF PARTNERSHIP AUTHORITY THAT OPERATES WITH RESPECT TO A PERSON WHO  
8 IS NOT A PARTNER AS PROVIDED IN SECTION 29-1023, SUBSECTIONS D AND E IN ANY  
9 TRANSACTION, WHETHER OR NOT THE TRANSACTION IS APPROPRIATE FOR WINDING UP THE  
10 PARTNERSHIP BUSINESS.

11 29-1076. Partner's liability to other partners after  
12 dissolution

13 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION B OF THIS SECTION OR IN  
14 SECTION 29-1026, AFTER DISSOLUTION A PARTNER IS LIABLE TO THE OTHER PARTNERS  
15 FOR THE PARTNER'S SHARE OF ANY PARTNERSHIP LIABILITY INCURRED UNDER SECTION  
16 29-1074.

17 B. A PARTNER WHO, WITH KNOWLEDGE OF THE DISSOLUTION, INCURS A  
18 PARTNERSHIP LIABILITY UNDER SECTION 29-1074, PARAGRAPH 2 BY AN ACT THAT IS  
19 NOT APPROPRIATE FOR WINDING UP THE PARTNERSHIP BUSINESS IS LIABLE TO THE  
20 PARTNERSHIP FOR ANY DAMAGE CAUSED TO THE PARTNERSHIP ARISING FROM THE  
21 LIABILITY.

22 29-1077. Settlement of accounts and contributions among  
23 partners

24 A. IN WINDING UP A PARTNERSHIP'S BUSINESS, THE ASSETS OF THE  
25 PARTNERSHIP, INCLUDING THE CONTRIBUTIONS OF THE PARTNERS REQUIRED BY THIS  
26 SECTION, SHALL BE APPLIED TO DISCHARGE ITS OBLIGATIONS TO CREDITORS,  
27 INCLUDING, TO THE EXTENT PERMITTED BY LAW, PARTNERS WHO ARE CREDITORS. ANY  
28 SURPLUS SHALL BE APPLIED TO PAY IN CASH THE NET AMOUNT DISTRIBUTABLE TO  
29 PARTNERS IN ACCORDANCE WITH THEIR RIGHT TO DISTRIBUTIONS UNDER SUBSECTION B  
30 OF THIS SECTION.

31 B. EACH PARTNER IS ENTITLED TO A SETTLEMENT OF ALL PARTNERSHIP  
32 ACCOUNTS ON WINDING UP THE PARTNERSHIP BUSINESS. IN SETTLING ACCOUNTS AMONG  
33 THE PARTNERS, THE PROFITS AND LOSSES DURING THE PERIOD OF WINDING UP,  
34 INCLUDING THOSE PROFITS AND LOSSES THAT RESULT FROM THE LIQUIDATION OF THE  
35 PARTNERSHIP ASSETS, SHALL BE CREDITED AND CHARGED TO THE PARTNERS' ACCOUNTS.  
36 THE PARTNERSHIP SHALL MAKE A DISTRIBUTION TO A PARTNER IN AN AMOUNT EQUAL TO  
37 ANY EXCESS OF THE CREDITS OVER THE CHARGES IN THE PARTNER'S ACCOUNT. A  
38 PARTNER SHALL CONTRIBUTE TO THE PARTNERSHIP AN AMOUNT EQUAL TO ANY EXCESS OF  
39 THE CHARGES OVER THE CREDITS IN THE PARTNER'S ACCOUNT EXCEPT THAT IN  
40 DETERMINING SUCH EXCESS, CHARGES ATTRIBUTABLE TO OBLIGATIONS FOR WHICH THE  
41 PARTNER IS PERSONALLY LIABLE UNDER SECTION 29-1026 SHALL NOT BE CONSIDERED.  
42 DAMAGES FOR WRONGFUL DISSOCIATION UNDER SECTION 29-1052, SUBSECTION B AND ALL  
43 OTHER AMOUNTS OWING, WHETHER OR NOT PRESENTLY DUE, FROM THE PARTNER TO THE  
44 PARTNERSHIP SHALL BE OFFSET AGAINST THE AMOUNTS DISTRIBUTABLE TO THE PARTNER

1 AND SHALL INCREASE THE AMOUNT THAT MUST BE CONTRIBUTED BY THE PARTNER  
2 PURSUANT TO THIS SECTION.

3 C. IF A PARTNER FAILS TO CONTRIBUTE THE FULL AMOUNT REQUIRED UNDER  
4 SUBSECTION B OF THIS SECTION, EACH OF THE OTHER PARTNERS SHALL CONTRIBUTE,  
5 IN THE PROPORTION IN WHICH THE PARTNER SHARES PARTNERSHIP LOSSES, THE  
6 ADDITIONAL AMOUNT NECESSARY TO SATISFY ANY PARTNERSHIP OBLIGATIONS. A  
7 PARTNER OR PARTNER'S LEGAL REPRESENTATIVE MAY RECOVER FROM THE OTHER PARTNERS  
8 ANY CONTRIBUTIONS THAT THE PARTNER OR LEGAL REPRESENTATIVE MAKES TO THE  
9 EXTENT THE AMOUNT CONTRIBUTED EXCEEDS THAT PARTNER'S SHARE OF THE PARTNERSHIP  
10 OBLIGATIONS FOR WHICH THE PARTNER IS LIABLE UNDER SECTION 29-1026.

11 D. AFTER THE SETTLEMENT OF ACCOUNTS, EACH PARTNER SHALL CONTRIBUTE,  
12 IN THE PROPORTION IN WHICH THE PARTNER SHARES PARTNERSHIP LOSSES, THE AMOUNT  
13 NECESSARY TO SATISFY PARTNERSHIP OBLIGATIONS OR THE AMOUNTS OF OBLIGATIONS  
14 THAT WERE NOT KNOWN AT THE TIME OF THE SETTLEMENT.

15 E. THE ESTATE OF A DECEASED PARTNER IS LIABLE FOR THE PARTNER'S  
16 OBLIGATION TO CONTRIBUTE TO THE PARTNERSHIP.

17 F. AN ASSIGNEE FOR THE BENEFIT OF CREDITORS OF A PARTNERSHIP OR A  
18 PARTNER, OR A PERSON APPOINTED BY A COURT TO REPRESENT CREDITORS OF A  
19 PARTNERSHIP OR A PARTNER, MAY ENFORCE A PARTNER'S OBLIGATION TO CONTRIBUTE  
20 TO THE PARTNERSHIP.

21 G. A PERSON WHO WAS A PARTNER AT ANY TIME WITHIN NINETY DAYS BEFORE  
22 THE COMMENCEMENT OF WINDING UP IS A PARTNER FOR THE PURPOSES OF THIS SECTION.

23 ARTICLE 9. CONVERSIONS AND MERGERS

24 29-1082. Conversion of partnership to limited partnership

25 A. A PARTNERSHIP MAY BE CONVERTED TO A LIMITED PARTNERSHIP PURSUANT  
26 TO THIS SECTION.

27 B. THE TERMS AND CONDITIONS OF A CONVERSION OF A PARTNERSHIP TO A  
28 LIMITED PARTNERSHIP SHALL BE APPROVED BY ALL OF THE PARTNERS OR BY A NUMBER  
29 OR PERCENTAGE SPECIFIED FOR CONVERSION IN THE PARTNERSHIP AGREEMENT.

30 C. AFTER THE CONVERSION IS APPROVED BY THE PARTNERS, THE PARTNERSHIP  
31 SHALL FILE A CERTIFICATE OF LIMITED PARTNERSHIP IN THE JURISDICTION IN WHICH  
32 THE LIMITED PARTNERSHIP IS TO BE FORMED. THE CERTIFICATE SHALL INCLUDE:

33 1. A STATEMENT THAT THE PARTNERSHIP WAS CONVERTED TO A LIMITED  
34 PARTNERSHIP FROM A PARTNERSHIP.

35 2. ITS FORMER NAME.

36 3. A STATEMENT OF THE NUMBER OF VOTES CAST BY THE PARTNERS FOR AND  
37 AGAINST THE CONVERSION AND, IF THE VOTE IS LESS THAN UNANIMOUS, THE NUMBER  
38 OR PERCENTAGE REQUIRED TO APPROVE THE CONVERSION UNDER THE PARTNERSHIP  
39 AGREEMENT.

40 D. THE CONVERSION TAKES EFFECT WHEN THE CERTIFICATE OF LIMITED  
41 PARTNERSHIP IS FILED OR AT ANY LATER DATE SPECIFIED IN THE CERTIFICATE.

42 E. A GENERAL PARTNER WHO BECOMES A LIMITED PARTNER AS A RESULT OF THE  
43 CONVERSION REMAINS LIABLE AS A GENERAL PARTNER FOR AN OBLIGATION INCURRED BY  
44 THE PARTNERSHIP BEFORE THE CONVERSION TAKES EFFECT. IF THE OTHER PARTY TO

1 A TRANSACTION WITH THE LIMITED PARTNERSHIP REASONABLY BELIEVES WHEN ENTERING  
2 THE TRANSACTION THAT THE LIMITED PARTNER IS A GENERAL PARTNER, THE LIMITED  
3 PARTNER IS LIABLE FOR AN OBLIGATION INCURRED BY THE LIMITED PARTNERSHIP  
4 WITHIN NINETY DAYS AFTER THE CONVERSION TAKES EFFECT. THE LIMITED PARTNER'S  
5 LIABILITY FOR ALL OTHER OBLIGATIONS OF THE LIMITED PARTNERSHIP INCURRED AFTER  
6 THE CONVERSION TAKES EFFECT IS THAT OF A LIMITED PARTNER AS PROVIDED IN  
7 CHAPTER 3 OF THIS TITLE.

8 29-1083. Conversion of limited partnership to partnership

9 A. A LIMITED PARTNERSHIP MAY BE CONVERTED TO A PARTNERSHIP PURSUANT  
10 TO THIS SECTION.

11 B. NOTWITHSTANDING A PROVISION TO THE CONTRARY IN A LIMITED  
12 PARTNERSHIP AGREEMENT, THE TERMS AND CONDITIONS OF A CONVERSION OF A LIMITED  
13 PARTNERSHIP TO A PARTNERSHIP SHALL BE APPROVED BY ALL OF THE PARTNERS.

14 C. AFTER THE CONVERSION IS APPROVED BY THE PARTNERS, THE LIMITED  
15 PARTNERSHIP SHALL CANCEL ITS CERTIFICATE OF LIMITED PARTNERSHIP.

16 D. THE CONVERSION TAKES EFFECT WHEN THE CERTIFICATE OF LIMITED  
17 PARTNERSHIP IS CANCELED.

18 E. A LIMITED PARTNER WHO BECOMES A GENERAL PARTNER AS A RESULT OF THE  
19 CONVERSION REMAINS LIABLE ONLY AS A LIMITED PARTNER FOR AN OBLIGATION  
20 INCURRED BY THE LIMITED PARTNERSHIP BEFORE THE CONVERSION TAKES EFFECT.  
21 EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-1026, THE PARTNER IS LIABLE AS A  
22 GENERAL PARTNER FOR AN OBLIGATION OF THE PARTNERSHIP INCURRED AFTER THE  
23 CONVERSION TAKES EFFECT.

24 29-1084. Effect of conversion: entity unchanged

25 A. A PARTNERSHIP OR LIMITED PARTNERSHIP THAT HAS BEEN CONVERTED  
26 PURSUANT TO THIS ARTICLE IS FOR ALL PURPOSES THE SAME ENTITY THAT EXISTED  
27 BEFORE THE CONVERSION.

28 B. WHEN A CONVERSION TAKES EFFECT:

29 1. ALL PROPERTY OWNED BY THE CONVERTING PARTNERSHIP OR LIMITED  
30 PARTNERSHIP REMAINS VESTED IN THE CONVERTED ENTITY.

31 2. ALL OBLIGATIONS OF THE CONVERTING PARTNERSHIP OR LIMITED  
32 PARTNERSHIP CONTINUE AS OBLIGATIONS OF THE CONVERTED ENTITY.

33 3. AN ACTION OR PROCEEDING PENDING AGAINST THE CONVERTING PARTNERSHIP  
34 OR LIMITED PARTNERSHIP MAY BE CONTINUED AS IF THE CONVERSION HAD NOT  
35 OCCURRED.

36 29-1085. Merger of partnerships

37 A. PURSUANT TO A PLAN OF MERGER APPROVED AS PROVIDED IN SUBSECTION C  
38 OF THIS SECTION, A PARTNERSHIP MAY BE MERGED WITH ONE OR MORE PARTNERSHIPS,  
39 LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES AS DEFINED IN SECTION 29-751.

40 B. THE PLAN OF MERGER SHALL SET FORTH ALL OF THE FOLLOWING:

41 1. THE NAME OF EACH PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS  
42 ENTITY THAT IS A PARTY TO THE MERGER.

43 2. THE NAME OF THE SURVIVING ENTITY INTO WHICH THE OTHER PARTNERSHIPS,  
44 LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES WILL MERGE.

1           3. WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP, A LIMITED  
2 PARTNERSHIP OR ANOTHER BUSINESS ENTITY AND THE STATUS, IF ANY, OF EACH  
3 PARTNER AS A GENERAL PARTNER, A LIMITED PARTNER, A MEMBER, A SHAREHOLDER OR  
4 ANY OTHER TYPE OF OWNER IN THE SURVIVING ENTITY.

5           4. THE TERMS AND CONDITIONS OF THE MERGER.

6           5. THE MANNER AND BASIS OF CONVERTING THE INTERESTS OF EACH PARTY TO  
7 THE MERGER INTO INTERESTS OR OBLIGATIONS OF THE SURVIVING ENTITY, OR INTO  
8 MONEY OR OTHER PROPERTY IN WHOLE OR PART.

9           6. THE STREET ADDRESS OF THE SURVIVING ENTITY'S CHIEF EXECUTIVE  
10 OFFICE.

11          C. THE PLAN OF MERGER SHALL BE APPROVED:

12           1. IN THE CASE OF A PARTNERSHIP THAT IS A PARTY TO THE MERGER, BY ALL  
13 OF THE PARTNERS, OR A NUMBER OR PERCENTAGE SPECIFIED FOR MERGER IN THE  
14 PARTNERSHIP AGREEMENT.

15           2. IN THE CASE OF A LIMITED PARTNERSHIP THAT IS A PARTY TO THE MERGER,  
16 BY THE VOTE REQUIRED FOR APPROVAL OF A MERGER BY THE LAW OF THE STATE OR  
17 FOREIGN JURISDICTION UNDER WHICH THE LIMITED PARTNERSHIP IS ORGANIZED AND,  
18 IN THE ABSENCE OF SUCH A SPECIFICALLY APPLICABLE LAW, BY ALL OF THE PARTNERS,  
19 OR ANY LESSER NUMBER SPECIFIED IN THE PARTNERSHIP AGREEMENT PERMITTED BY THE  
20 LAW OF THE STATE OR FOREIGN JURISDICTION UNDER WHICH THE LIMITED PARTNERSHIP  
21 IS ORGANIZED.

22           3. IN THE CASE OF A BUSINESS ENTITY OTHER THAN A GENERAL PARTNERSHIP  
23 OR LIMITED PARTNERSHIP, IN THE MANNER REQUIRED BY THE LAWS OF THE  
24 JURISDICTION UNDER WHICH THE BUSINESS ENTITY IS ORGANIZED.

25          D. AFTER A PLAN OF MERGER IS APPROVED AND BEFORE THE MERGER TAKES  
26 EFFECT, THE PLAN MAY BE AMENDED OR ABANDONED AS PROVIDED IN THE PLAN.

27          E. THE MERGER TAKES EFFECT ON THE LATER OF:

28           1. THE APPROVAL OF THE PLAN OF MERGER BY ALL PARTIES TO THE MERGER,  
29 AS PROVIDED IN SUBSECTION C OF THIS SECTION.

30           2. THE FILING OF A STATEMENT OF MERGER PURSUANT TO SECTION 29-1087 AND  
31 ALL OTHER DOCUMENTS REQUIRED BY LAW TO BE FILED AS A CONDITION TO THE  
32 EFFECTIVENESS OF THE MERGER.

33           3. ANY EFFECTIVE DATE SPECIFIED IN THE PLAN OF MERGER.

34           29-1086. Effect of merger

35          A. WHEN A MERGER TAKES EFFECT:

36           1. THE SEPARATE EXISTENCE OF EVERY PARTNERSHIP, LIMITED PARTNERSHIP  
37 OR OTHER BUSINESS ENTITY THAT IS A PARTY TO THE MERGER, OTHER THAN THE  
38 SURVIVING ENTITY, CEASES.

39           2. ALL PROPERTY OWNED BY EACH OF THE MERGED PARTNERSHIPS, LIMITED  
40 PARTNERSHIPS OR OTHER BUSINESS ENTITIES VESTS IN THE SURVIVING ENTITY.

41           3. ALL OBLIGATIONS OF EVERY PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER  
42 BUSINESS ENTITY THAT IS A PARTY TO THE MERGER BECOME THE OBLIGATIONS OF THE  
43 SURVIVING ENTITY.

1           4. AN ACTION OR PROCEEDING PENDING AGAINST A PARTNERSHIP, A LIMITED  
2 PARTNERSHIP OR ANY OTHER BUSINESS ENTITY THAT IS A PARTY TO THE MERGER MAY  
3 BE CONTINUED AS IF THE MERGER HAD NOT OCCURRED, OR THE SURVIVING ENTITY MAY  
4 BE SUBSTITUTED AS A PARTY TO THE ACTION OR PROCEEDING.

5           B. IF THE SURVIVING ENTITY IS A FOREIGN PARTNERSHIP OR LIMITED  
6 PARTNERSHIP, AT ANY TIME DURING WHICH THE SURVIVING ENTITY FAILS TO MAINTAIN  
7 AN AGENT FOR SERVICE OF PROCESS AS REQUIRED BY THE LAW OF THIS STATE, THE  
8 SECRETARY OF STATE IS THE AGENT FOR SERVICE OF PROCESS IN AN ACTION OR  
9 PROCEEDING AGAINST A SURVIVING FOREIGN PARTNERSHIP OR LIMITED PARTNERSHIP TO  
10 ENFORCE AN OBLIGATION OF A DOMESTIC PARTNERSHIP, DOMESTIC LIMITED PARTNERSHIP  
11 OR ANY OTHER DOMESTIC BUSINESS ENTITY THAT IS A PARTY TO A MERGER. UNTIL THE  
12 SURVIVING FOREIGN PARTNERSHIP OR LIMITED PARTNERSHIP APPOINTS AN AGENT FOR  
13 SERVICE OF PROCESS AS REQUIRED BY THE LAW OF THIS STATE, IT SHALL PROMPTLY  
14 NOTIFY THE SECRETARY OF STATE OF ITS CHIEF EXECUTIVE OFFICE AND OF ANY CHANGE  
15 OF ADDRESS. ON RECEIPT OF PROCESS, THE SECRETARY OF STATE SHALL MAIL A COPY  
16 OF THE PROCESS TO THE SURVIVING FOREIGN PARTNERSHIP OR LIMITED PARTNERSHIP.

17           C. IF THE SURVIVING ENTITY IS A PARTNERSHIP OR LIMITED PARTNERSHIP,  
18 A PARTNER OF THE SURVIVING PARTNERSHIP OR LIMITED PARTNERSHIP IS LIABLE FOR:

19           1. ALL OBLIGATIONS OF A PARTY TO THE MERGER FOR WHICH THE PARTNER WAS  
20 PERSONALLY LIABLE BEFORE THE MERGER.

21           2. ALL OTHER OBLIGATIONS OF THE SURVIVING ENTITY INCURRED BEFORE THE  
22 MERGER BY A PARTY TO THE MERGER, BUT THOSE OBLIGATIONS MAY BE SATISFIED ONLY  
23 OUT OF PROPERTY OF THE ENTITY.

24           3. ALL OBLIGATIONS OF THE SURVIVING ENTITY INCURRED AFTER THE MERGER  
25 TAKES EFFECT, BUT THOSE OBLIGATIONS MAY BE SATISFIED ONLY OUT OF PROPERTY OF  
26 THE ENTITY IF THE PARTNER IS A LIMITED PARTNER.

27           D. IF THE OBLIGATIONS INCURRED BEFORE THE MERGER BY A PARTNERSHIP OR  
28 A LIMITED PARTNERSHIP THAT IS A PARTY TO THE MERGER ARE NOT TO BE SATISFIED  
29 OUT OF THE PROPERTY OF THE SURVIVING ENTITY PURSUANT TO THE PLAN OF MERGER,  
30 THE GENERAL PARTNERS OF THAT PARTY IMMEDIATELY BEFORE THE EFFECTIVE DATE OF  
31 THE MERGER SHALL CONTRIBUTE THE AMOUNT NECESSARY TO SATISFY THAT PARTY'S  
32 OBLIGATIONS TO THE SURVIVING ENTITY, IN THE MANNER PROVIDED IN SECTION  
33 29-1077 OR IN THE LIMITED PARTNERSHIP ACT OF THE JURISDICTION IN WHICH THE  
34 PARTY WAS FORMED, AS THE CASE MAY BE, AS IF THE MERGED PARTY WERE DISSOLVED.

35           E. A PARTNER OF A PARTNERSHIP OR LIMITED PARTNERSHIP THAT IS A PARTY  
36 TO A MERGER WHO DOES NOT BECOME A PARTNER OR ANY OTHER OWNER OF THE SURVIVING  
37 ENTITY IS DISSOCIATED FROM THE PARTNERSHIP OR LIMITED PARTNERSHIP, OF WHICH  
38 THAT PARTNER WAS A PARTNER, AS OF THE DATE THE MERGER TAKES EFFECT. THE  
39 SURVIVING ENTITY SHALL CAUSE THE PARTNER'S INTEREST IN THE MERGED PARTNERSHIP  
40 OR LIMITED PARTNERSHIP TO BE PURCHASED UNDER SECTION 29-1061 OR ANOTHER  
41 STATUTE SPECIFICALLY APPLICABLE TO THAT PARTNER'S INTEREST WITH RESPECT TO  
42 A MERGER. THE SURVIVING ENTITY IS BOUND UNDER SECTION 29-1062 BY AN ACT OF  
43 A GENERAL PARTNER DISSOCIATED UNDER THIS SUBSECTION, AND THE PARTNER IS

1       LIABLE UNDER SECTION 29-1063 FOR TRANSACTIONS ENTERED INTO BY THE SURVIVING  
2       ENTITY AFTER THE MERGER TAKES EFFECT.

3               29-1087. Statement of merger

4               A. IN ORDER FOR A MERGER TO BE EFFECTIVE, THE SURVIVING PARTNERSHIP,  
5       LIMITED PARTNERSHIP OR OTHER BUSINESS ENTITY SHALL FILE A STATEMENT THAT ONE  
6       OR MORE PARTNERSHIPS OR LIMITED PARTNERSHIPS HAVE MERGED INTO THE SURVIVING  
7       ENTITY.

8               B. A STATEMENT OF MERGER SHALL CONTAIN ALL OF THE FOLLOWING:

9               1. THE NAME OF EACH PARTNERSHIP, LIMITED PARTNERSHIP OR OTHER BUSINESS  
10       ENTITY THAT IS A PARTY TO THE MERGER.

11              2. THE NAME OF THE SURVIVING ENTITY INTO WHICH THE OTHER PARTNERSHIPS,  
12       LIMITED PARTNERSHIPS OR OTHER BUSINESS ENTITIES WERE MERGED.

13              3. THE STREET ADDRESS OF THE SURVIVING ENTITY'S CHIEF EXECUTIVE OFFICE  
14       AND OF AN OFFICE IN THIS STATE, IF ANY.

15              4. WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP, A LIMITED  
16       PARTNERSHIP OR ANOTHER BUSINESS ENTITY AS DEFINED IN SECTION 29-751.

17              C. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION D OF THIS SECTION, FOR  
18       THE PURPOSES OF IDENTIFYING PROPERTY HELD IN THE NAME OF THE PARTNERSHIP  
19       PURSUANT TO SECTION 29-1022, PROPERTY OF A SURVIVING PARTNERSHIP OR LIMITED  
20       PARTNERSHIP THAT BEFORE THE MERGER WAS HELD IN THE NAME OF ANOTHER PARTY TO  
21       THE MERGER IS PROPERTY HELD IN THE NAME OF THE SURVIVING ENTITY ON FILING A  
22       STATEMENT OF MERGER.

23              D. FOR THE PURPOSES OF IDENTIFYING PROPERTY HELD IN THE NAME OF THE  
24       PARTNERSHIP PURSUANT TO SECTION 29-1022, REAL PROPERTY OF A SURVIVING  
25       PARTNERSHIP OR LIMITED PARTNERSHIP THAT BEFORE THE MERGER WAS HELD IN THE  
26       NAME OF ANOTHER PARTY TO THE MERGER IS PROPERTY HELD IN THE NAME OF THE  
27       SURVIVING ENTITY ON RECORDING A CERTIFIED COPY OF THE STATEMENT OF MERGER IN  
28       THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE REAL PROPERTY  
29       IS LOCATED.

30              E. A FILED AND, IF APPROPRIATE, RECORDED STATEMENT OF MERGER, EXECUTED  
31       AND DECLARED TO BE ACCURATE PURSUANT TO SECTION 29-1005, SUBSECTION C,  
32       STATING THE NAME OF A PARTNERSHIP OR LIMITED PARTNERSHIP THAT IS A PARTY TO  
33       THE MERGER IN WHOSE NAME PROPERTY WAS HELD BEFORE THE MERGER AND THE NAME OF  
34       THE SURVIVING ENTITY, BUT NOT CONTAINING ALL OF THE OTHER INFORMATION  
35       REQUIRED BY SUBSECTION B OF THIS SECTION, OPERATES WITH RESPECT TO THE  
36       PARTNERSHIPS OR LIMITED PARTNERSHIPS NAMED TO THE EXTENT PROVIDED IN  
37       SUBSECTIONS C AND D OF THIS SECTION.

38               29-1088. Nonexclusive

39               THIS ARTICLE IS NOT EXCLUSIVE. PARTNERSHIPS OR LIMITED PARTNERSHIPS  
40       MAY BE CONVERTED OR MERGED IN ANY OTHER MANNER PROVIDED BY LAW.

41                       ARTICLE 10. LIMITED LIABILITY PARTNERSHIPS

42               29-1101. Statement of qualification

43               A. A PARTNERSHIP OR LIMITED PARTNERSHIP MAY BECOME A LIMITED LIABILITY  
44       PARTNERSHIP PURSUANT TO THIS SECTION.

1           B. THE TERMS AND CONDITIONS OF A PARTNERSHIP OR LIMITED PARTNERSHIP  
2 BECOMING A LIMITED LIABILITY PARTNERSHIP MUST BE APPROVED BY THE VOTE  
3 NECESSARY TO AMEND THE PARTNERSHIP AGREEMENT.

4           C. AFTER THE APPROVAL PROVIDED IN SUBSECTION B OF THIS SECTION, A  
5 PARTNERSHIP OR LIMITED PARTNERSHIP MAY FILE A STATEMENT OF QUALIFICATION  
6 WHICH SHALL INCLUDE THE FOLLOWING:

7           1. THE NAME OF THE PARTNERSHIP OR LIMITED PARTNERSHIP AND THE NAME OF  
8 THE LIMITED LIABILITY PARTNERSHIP;

9           2. THE STREET ADDRESS OF THE CHIEF EXECUTIVE OFFICE OF THE PARTNERSHIP  
10 OR LIMITED PARTNERSHIP AND, IF THE CHIEF EXECUTIVE OFFICE IS NOT LOCATED IN  
11 THIS STATE, THE STREET ADDRESS OF AN OFFICE IN THIS STATE, IF ANY;

12           3. THE NAME AND STREET ADDRESS OF ITS AGENT FOR SERVICE OF PROCESS  
13 PURSUANT TO SECTION 29-1104;

14           4. A STATEMENT THAT THE PARTNERSHIP OR LIMITED PARTNERSHIP IS APPLYING  
15 FOR STATUS AS A LIMITED LIABILITY PARTNERSHIP;

16           5. A DELAYED EFFECTIVE DATE, IF ANY.

17           D. THE STATUS OF THE PARTNERSHIP OR LIMITED PARTNERSHIP AS A LIMITED  
18 LIABILITY PARTNERSHIP IS EFFECTIVE ON THE LATER OF THE FILING OF THE  
19 STATEMENT OR A LATER DATE SPECIFIED IN THE STATEMENT AND SUCH STATUS REMAINS  
20 EFFECTIVE, REGARDLESS OF CHANGES IN THE PARTNERSHIP OR LIMITED PARTNERSHIP,  
21 UNTIL THE STATEMENT IS CANCELED UNDER SECTION 29-1005, SUBSECTION D OR  
22 REVOKED UNDER SECTION 29-1103.

23           E. THE STATUS OF A PARTNERSHIP OR LIMITED PARTNERSHIP AS A LIMITED  
24 LIABILITY PARTNERSHIP AND THE LIABILITY OF ITS PARTNERS SHALL NOT BE AFFECTED  
25 BY ERRORS OR SUBSEQUENT CHANGES IN THE INFORMATION REQUIRED TO BE SET FORTH  
26 IN THE STATEMENT OF QUALIFICATION UNDER SUBSECTION C OF THIS SECTION.

27           F. THE FILING OF THE STATEMENT OF QUALIFICATION IS CONCLUSIVE PROOF  
28 THAT A PARTNERSHIP OR LIMITED PARTNERSHIP HAS SATISFIED ALL CONDITIONS  
29 PRECEDENT TO THE QUALIFICATION OF A PARTNERSHIP OR LIMITED PARTNERSHIP AS A  
30 LIMITED LIABILITY PARTNERSHIP.

31           G. AN AMENDMENT OR CANCELLATION OF A STATEMENT OF QUALIFICATION IS  
32 EFFECTIVE AT THE TIME OF ITS FILING OR ON A LATER DELAYED EFFECTIVE DATE  
33 SPECIFIED IN THE AMENDMENT OR CANCELLATION.

34           H. EXECUTION OF A STATEMENT OR A CERTIFICATE BY A LIMITED LIABILITY  
35 PARTNERSHIP OR A FOREIGN LIMITED LIABILITY PARTNERSHIP CONSTITUTES AN  
36 AFFIRMATION BY THE PERSON WHO SIGNED IT UNDER THE PENALTIES OF PERJURY THAT  
37 THE FACTS STATED IN THE APPLICATION OR CERTIFICATE ARE TRUE.

38           29-1102. Name

39           THE NAME OF A LIMITED LIABILITY PARTNERSHIP SHALL:

40           1. END WITH THE WORDS "REGISTERED LIMITED LIABILITY PARTNERSHIP",  
41 "LIMITED LIABILITY PARTNERSHIP", THE ABBREVIATION "R.L.L.P.", "L.L.P." OR THE  
42 DESIGNATION "RLLP" OR "LLP", IN UPPER OR LOWER CASE.

43           2. NOT CONTAIN THE WORDS "ASSOCIATION", "CORPORATION" OR  
44 "INCORPORATED" OR AN ABBREVIATION OF THESE WORDS.

1           3. NOT BE THE SAME AS, OR DECEPTIVELY SIMILAR TO, THE NAME OF A  
2 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP OR CORPORATION EXISTING UNDER  
3 THE LAWS OF THIS STATE OR A FOREIGN LIMITED LIABILITY COMPANY, LIMITED  
4 PARTNERSHIP OR CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, OR  
5 A NAME THE EXCLUSIVE RIGHT TO WHICH, AT THE TIME, IS RESERVED IN THE MANNER  
6 PROVIDED UNDER THE LAWS OF THIS STATE OR A TRADE NAME REGISTERED PURSUANT TO  
7 TITLE 44, CHAPTER 10, ARTICLE 3.1. THIS PARAGRAPH DOES NOT APPLY IF THE  
8 APPLICANT FILES WITH THE SECRETARY OF STATE EITHER OF THE FOLLOWING:

9           (a) THE WRITTEN CONSENT OF THE HOLDER OF THE NAME TO USE THE SAME OR  
10 A DECEPTIVELY SIMILAR NAME AND ONE OR MORE WORDS ARE ADDED OR DELETED TO MAKE  
11 THE NAME DISTINGUISHABLE FROM THE OTHER NAME.

12           (b) A CERTIFIED COPY OF A FINAL DECREE OF A COURT OF COMPETENT  
13 JURISDICTION ESTABLISHING THE PRIOR RIGHT OF THE APPLICANT TO USE THE NAME  
14 APPLIED FOR IN THIS STATE.

15           29-1103. Publication and annual reports

16           A. WITHIN SIXTY DAYS AFTER THE FILING WITH THE SECRETARY OF STATE OF  
17 A STATEMENT OF QUALIFICATION, THERE SHALL BE PUBLISHED IN A NEWSPAPER OF  
18 GENERAL CIRCULATION IN THE COUNTY OF THE LIMITED LIABILITY PARTNERSHIP'S  
19 CHIEF EXECUTIVE OFFICE, OR IF THE LIMITED LIABILITY PARTNERSHIP'S CHIEF  
20 EXECUTIVE OFFICE IS NOT LOCATED IN THIS STATE, IN THE COUNTY OF THE LIMITED  
21 LIABILITY PARTNERSHIP'S OFFICE IN THIS STATE, OR IF NONE, THE COUNTY OF THE  
22 LIMITED LIABILITY COMPANY'S STATUTORY AGENT, FOR THREE CONSECUTIVE  
23 PUBLICATIONS, A COPY OF THE STATEMENT OF QUALIFICATION. AN AFFIDAVIT  
24 EVIDENCING PUBLICATION SHALL BE FILED WITH THE SECRETARY OF STATE WITHIN  
25 NINETY DAYS AFTER THE FILING OF THE STATEMENT OF QUALIFICATION.

26           B. A LIMITED LIABILITY PARTNERSHIP AND A FOREIGN LIMITED LIABILITY  
27 PARTNERSHIP AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE SHALL FILE AN  
28 ANNUAL REPORT WITH THE OFFICE OF THE SECRETARY OF STATE THAT SETS FORTH ALL  
29 OF THE FOLLOWING:

30           1. THE NAME OF THE LIMITED LIABILITY PARTNERSHIP AND THE STATE OR  
31 COUNTRY UNDER WHOSE LAWS THE FOREIGN LIMITED LIABILITY PARTNERSHIP AND THE  
32 STATE OR COUNTRY UNDER WHOSE LAWS THE FOREIGN LIMITED LIABILITY PARTNERSHIP  
33 IS FORMED OR CREATED;

34           2. THE CURRENT STREET ADDRESS OF THE OFFICE REQUIRED TO BE SET FORTH  
35 IN SECTION 29-1101, SUBSECTION C, PARAGRAPH 2; AND

36           3. THE NAME AND STREET ADDRESS OF ITS AGENT FOR SERVICE OF PROCESS IN  
37 THIS STATE.

38           C. AN ANNUAL REPORT MUST BE FILED BETWEEN JANUARY 1 AND APRIL 30 OF  
39 EACH YEAR FOLLOWING THE CALENDAR YEAR IN WHICH A PARTNERSHIP OR LIMITED  
40 PARTNERSHIP FILES A STATEMENT OF QUALIFICATION OR A FOREIGN PARTNERSHIP  
41 BECOMES AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

42           D. THE SECRETARY OF STATE MAY ADMINISTRATIVELY REVOKE THE STATEMENT  
43 OF QUALIFICATION OF A PARTNERSHIP OR LIMITED PARTNERSHIP IF THE SECRETARY OF  
44 STATE DETERMINES THAT THE STATEMENT OF QUALIFICATION DOES NOT CONFORM TO THE

1 FILING PROVISIONS OF THIS ARTICLE OR IF THE LIMITED LIABILITY PARTNERSHIP  
2 FAILS TO FILE AN AFFIDAVIT OF PUBLICATION WITHIN THE TIME REQUIRED BY  
3 SUBSECTION A OF THIS SECTION OR FILE AN ANNUAL REPORT WHEN DUE OR TO PAY THE  
4 REQUIRED FILING FEE. THE SECRETARY OF STATE MUST PROVIDE THE LIMITED  
5 LIABILITY PARTNERSHIP AT LEAST SIXTY DAYS WRITTEN NOTICE OF THE INTENT TO  
6 REVOKE THE STATEMENT. THE NOTICE SHALL BE MAILED TO THE LIMITED LIABILITY  
7 PARTNERSHIP AT ITS OFFICE SET FORTH IN THE LAST FILED STATEMENT OF  
8 QUALIFICATION OR ANNUAL REPORT. THE NOTICE MUST SPECIFY THE NONCONFORMANCE,  
9 THE AFFIDAVIT OF PUBLICATION THAT HAS NOT BEEN FILED, THE ANNUAL REPORTS THAT  
10 HAVE NOT BEEN FILED, OR THE FEES THAT HAVE NOT BEEN PAID, AND THE FUTURE  
11 EFFECTIVE DATE OF REVOCATION. THE REVOCATION WILL NOT BE EFFECTIVE IF THE  
12 SPECIFIED FILING REQUIREMENTS, AFFIDAVIT OF PUBLICATION OR ANNUAL REPORTS ARE  
13 FILED AND THE SPECIFIED FEES ARE PAID PRIOR TO THE SPECIFIED EFFECTIVE DATE  
14 OF REVOCATION.

15 E. A REVOCATION UNDER SUBSECTION D OF THIS SECTION ONLY AFFECTS A  
16 PARTNERSHIP'S OR LIMITED PARTNERSHIP'S STATUS AS A LIMITED LIABILITY  
17 PARTNERSHIP AND DOES NOT CONSTITUTE AN EVENT OF DISSOLUTION OF THE  
18 PARTNERSHIP OR LIMITED PARTNERSHIP.

19 F. A PARTNERSHIP OR LIMITED PARTNERSHIP WHOSE STATEMENT HAS BEEN  
20 ADMINISTRATIVELY REVOKED MAY APPLY TO THE SECRETARY OF STATE FOR  
21 REINSTATEMENT WITHIN TWO YEARS AFTER THE EFFECTIVE DATE OF THE REVOCATION.  
22 THE APPLICATION SHALL RECITE THE NAME OF THE PARTNERSHIP OR LIMITED  
23 PARTNERSHIP AND THE EFFECTIVE DATE OF THE REVOCATION AND STATE THAT THE  
24 GROUNDS FOR REVOCATION EITHER DID NOT EXIST OR HAVE BEEN CORRECTED. IF  
25 ANOTHER CORPORATION OR PARTNERSHIP HAS ADOPTED THE NAME OF THE LIMITED  
26 LIABILITY PARTNERSHIP OR ANOTHER PERSON HAS ADOPTED THE NAME OF THE LIMITED  
27 LIABILITY PARTNERSHIP AS A TRADE NAME, THE APPLICATION SHALL BE ACCOMPANIED  
28 BY AN AMENDMENT TO THE STATEMENT OF FOREIGN QUALIFICATION THAT IS IN  
29 ACCORDANCE WITH SECTION 29-1105 AND THAT ADOPTS A NEW NAME FOR THE LIMITED  
30 LIABILITY PARTNERSHIP THAT COMPLIES WITH SECTION 29-1102.

31 G. A REINSTATEMENT UNDER SUBSECTION F OF THIS SECTION RELATES BACK TO  
32 AND TAKES EFFECT AS OF THE EFFECTIVE DATE OF THE ADMINISTRATIVE REVOCATION,  
33 AND THE PARTNERSHIP'S OR LIMITED PARTNERSHIP'S STATUS AS A LIMITED LIABILITY  
34 PARTNERSHIP CONTINUES AS IF THE ADMINISTRATIVE REVOCATION NEVER OCCURRED.

35 H. AN AMENDMENT TO THE STATEMENT OF QUALIFICATION SHALL BE FILED BY  
36 A LIMITED LIABILITY PARTNERSHIP OR FOREIGN LIMITED LIABILITY PARTNERSHIP NOT  
37 LATER THAN SIXTY DAYS AFTER THE OCCURRENCE OF ANY OF THE FOLLOWING:

38 1. A CHANGE IN THE NAME OF THE LIMITED LIABILITY PARTNERSHIP;  
39 2. A CHANGE IN THE ADDRESS OF THE CHIEF EXECUTIVE OFFICE OF THE  
40 PARTNERSHIP; OR

41 3. THE PARTNERSHIP OR LIMITED PARTNERSHIP HAS KNOWLEDGE THAT A  
42 MATERIAL STATEMENT IN THE STATEMENT OF QUALIFICATION WAS FALSE OR INACCURATE  
43 WHEN MADE OR THAT ANY FACTS DESCRIBED THEREIN HAVE CHANGED, MAKING THE  
44 STATEMENT OF QUALIFICATION INACCURATE IN ANY MATERIAL RESPECT.

1 AN AMENDMENT TO THE STATEMENT OF QUALIFICATION MAY BE FILED FOR ANY OTHER  
2 PROPER PURPOSE. THE FILING OF A STATEMENT OF CANCELLATION BY OR ON BEHALF  
3 OF A PARTNERSHIP OR LIMITED PARTNERSHIP PURSUANT TO THIS SECTION SHALL BE  
4 EFFECTIVE ONLY TO CANCEL THE PARTNERSHIP'S OR LIMITED PARTNERSHIP'S  
5 QUALIFICATION AS A LIMITED LIABILITY PARTNERSHIP AND SHALL NOT, UNLESS IT  
6 SPECIFICALLY SO PROVIDES, INDICATE THE DISSOLUTION OF THE PARTNERSHIP OR  
7 LIMITED PARTNERSHIP. UPON ANY REVOCATION OR THE FILING OF ANY STATEMENT OF  
8 CANCELLATION, THE SECRETARY OF STATE SHALL BE THE AGENT FOR SERVICE OF  
9 PROCESS IN ANY ACTION, SUIT OR PROCEEDING BASED UPON ANY CAUSE OF ACTION  
10 ARISING DURING THE TIME THE LIMITED LIABILITY PARTNERSHIP WAS QUALIFIED UNDER  
11 SECTION 29-1101 OR THE FOREIGN LIMITED LIABILITY PARTNERSHIP WAS AUTHORIZED  
12 TO TRANSACT BUSINESS IN THIS STATE.

13 29-1104. Designated office and agent for service of process

14 A. A LIMITED LIABILITY PARTNERSHIP AND A FOREIGN LIMITED LIABILITY  
15 PARTNERSHIP AUTHORIZED TO DO BUSINESS IN THIS STATE SHALL DESIGNATE AND  
16 CONTINUOUSLY MAINTAIN IN THIS STATE A STATUTORY AGENT FOR SERVICE OF PROCESS  
17 ON THE LIMITED LIABILITY PARTNERSHIP. THE SOLE DUTY OF THE STATUTORY AGENT  
18 IS TO FORWARD TO THE REGISTERED LIMITED LIABILITY PARTNERSHIP OR FOREIGN  
19 REGISTERED LIMITED LIABILITY PARTNERSHIP AT ITS LAST KNOWN ADDRESS ANY  
20 PROCESS, NOTICE OR DEMAND THAT IS SERVED ON THE STATUTORY AGENT.

21 B. AN AGENT MUST BE AN INDIVIDUAL RESIDENT OF THIS STATE, A DOMESTIC  
22 CORPORATION, A DOMESTIC LIMITED LIABILITY COMPANY, A FOREIGN CORPORATION OR  
23 FOREIGN LIMITED LIABILITY COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE.

24 C. A LIMITED LIABILITY PARTNERSHIP OR A FOREIGN LIMITED LIABILITY  
25 PARTNERSHIP MAY CHANGE ITS AGENT FOR SERVICE OF PROCESS BY FILING AN  
26 AMENDMENT TO THE STATEMENT AS PROVIDED IN SECTION 29-1005, SUBSECTION D. AN  
27 AMENDMENT OR CANCELLATION IS EFFECTIVE AT THE TIME OF ITS FILING UNLESS A  
28 LATER DATE IS SET FORTH IN THE CERTIFICATE OF AMENDMENT.

29 D. AN AGENT FOR SERVICE OF PROCESS MAY RESIGN BY SIGNING AND FILING  
30 WITH THE OFFICE OF THE SECRETARY OF STATE A CERTIFICATE OF RESIGNATION. THE  
31 SECRETARY OF STATE SHALL MAIL A COPY OF THE FILED CERTIFICATE TO THE LIMITED  
32 LIABILITY PARTNERSHIP AT ITS CHIEF EXECUTIVE OFFICE. AN AGENCY IS TERMINATED  
33 ON THE THIRTY-FIRST DAY AFTER THE CERTIFICATE IS FILED WITH THE OFFICE OF THE  
34 SECRETARY OF STATE.

35 E. A NOTICE OF CHANGE IN STATUTORY AGENT SHALL PROMPTLY BE EXECUTED  
36 BY A LIMITED LIABILITY PARTNERSHIP OR FOREIGN LIMITED LIABILITY PARTNERSHIP  
37 WHENEVER ITS STATUTORY AGENT DIES, RESIGNS OR CEASES TO SATISFY THE  
38 REQUIREMENTS OF THIS SECTION. IF A LIMITED LIABILITY PARTNERSHIP OR A  
39 FOREIGN LIMITED LIABILITY PARTNERSHIP FAILS TO APPOINT OR MAINTAIN AN AGENT  
40 FOR SERVICE OF PROCESS IN THIS STATE OR THE AGENT FOR SERVICE OF PROCESS  
41 CANNOT WITH REASONABLE DILIGENCE BE FOUND AT THE AGENT'S ADDRESS, THE  
42 SECRETARY OF STATE IS AN AGENT OF THE PARTNERSHIP UPON WHOM PROCESS, NOTICE  
43 OR DEMAND MAY BE SERVED.

1 F. IF A STATUTORY AGENT CHANGES HIS BUSINESS ADDRESS TO ANOTHER PLACE  
2 WITHIN THIS STATE, HE SHALL CHANGE HIS ADDRESS FOR ANY LIMITED LIABILITY  
3 PARTNERSHIP OR FOREIGN LIMITED LIABILITY PARTNERSHIP OF WHICH HE IS A  
4 STATUTORY AGENT BY FILING A NOTICE SIGNED, EITHER MANUALLY OR IN FACSIMILE  
5 BY THE STATUTORY AGENT, AND RECITING THAT A COPY OF THE NOTICE HAS BEEN  
6 MAILED TO THE LIMITED LIABILITY PARTNERSHIP AT ITS CHIEF EXECUTIVE OFFICE.

7 G. THE STATUTORY AGENT OF A LIMITED LIABILITY PARTNERSHIP OR FOREIGN  
8 LIMITED LIABILITY PARTNERSHIP IS THE LIMITED LIABILITY PARTNERSHIP'S AGENT  
9 FOR SERVICE OF PROCESS, NOTICE OR DEMAND REQUIRED OR PERMITTED BY LAW TO BE  
10 SERVED ON THE LIMITED LIABILITY PARTNERSHIP. THIS SECTION DOES NOT PRESCRIBE  
11 THE ONLY MEANS OF SERVING A LIMITED LIABILITY PARTNERSHIP OR A FOREIGN  
12 LIMITED LIABILITY PARTNERSHIP.

13 29-1105. Law governing foreign limited liability partnerships

14 A. THE LAWS OF THE STATE OR OTHER JURISDICTION UNDER WHICH A FOREIGN  
15 LIMITED LIABILITY PARTNERSHIP IS FORMED OR CREATED GOVERN RELATIONS AMONG THE  
16 PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP, AND THE LIABILITY OF  
17 PARTNERS FOR OBLIGATIONS OR THE PARTNERSHIP.

18 B. A FOREIGN LIMITED LIABILITY PARTNERSHIP MAY NOT BE DENIED A  
19 STATEMENT OF FOREIGN QUALIFICATION BY REASON OF ANY DIFFERENCE BETWEEN THE  
20 LAWS OF ANOTHER JURISDICTION UNDER WHICH THE FOREIGN LIMITED LIABILITY  
21 PARTNERSHIP IS FORMED OR CREATED AND THE LAWS OF THIS STATE.

22 C. A STATEMENT OF FOREIGN QUALIFICATION DOES NOT AUTHORIZE A FOREIGN  
23 LIMITED LIABILITY PARTNERSHIP TO ENGAGE IN ANY BUSINESS OR EXERCISE ANY POWER  
24 THAT A LIMITED LIABILITY PARTNERSHIP MAY NOT ENGAGE IN OR EXERCISE IN THIS  
25 STATE AS A LIMITED LIABILITY PARTNERSHIP.

26 29-1106. Statement of foreign qualification

27 A. BEFORE TRANSACTING BUSINESS IN THIS STATE, A FOREIGN LIMITED  
28 LIABILITY PARTNERSHIP MUST FILE A STATEMENT OF FOREIGN QUALIFICATION WHICH  
29 SHALL INCLUDE THE FOLLOWING:

30 1. THE NAME OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP WHICH  
31 SATISFIES THE REQUIREMENTS OF SECTION 29-1102 AND THE STATE OR COUNTRY UNDER  
32 WHOSE LAWS IT IS FORMED OR CREATED;

33 2. THE STREET ADDRESS OF THE CHIEF EXECUTIVE OFFICE OF THE FOREIGN  
34 LIMITED LIABILITY PARTNERSHIP AND, IF THE CHIEF EXECUTIVE OFFICE IS NOT  
35 LOCATED IN THIS STATE, THE STREET ADDRESS OF AN OFFICE IN THIS STATE, IF ANY;

36 3. THE NAME AND STREET ADDRESS OF ITS AGENT FOR SERVICE OF PROCESS  
37 REQUIRED UNDER SECTION 29-1104; AND

38 4. A DELAYED EFFECTIVE DATE, IF ANY.

39 B. THE STATUS OF THE PARTNERSHIP OR LIMITED PARTNERSHIP AS A FOREIGN  
40 LIMITED LIABILITY PARTNERSHIP IS EFFECTIVE ON THE LATER OF THE FILING OF THE  
41 STATEMENT OR A LATER DATE SPECIFIED IN THE FOREIGN STATEMENT OF FOREIGN  
42 QUALIFICATION, AND SUCH STATUS REMAINS EFFECTIVE, REGARDLESS OF CHANGES IN  
43 THE PARTNERSHIP, UNTIL THE STATEMENT OF FOREIGN QUALIFICATION IS CANCELED  
44 UNDER SECTION 29-1005, SUBSECTION D OR REVOKED UNDER SECTION 29-1103.

1 C. AN AMENDMENT OR CANCELLATION OF A FOREIGN STATEMENT OF  
2 QUALIFICATION IS EFFECTIVE AT THE TIME OF ITS FILING OR ON A LATER DELAYED  
3 EFFECTIVE DATE SPECIFIED IN THE AMENDMENT OR CANCELLATION.

4 29-1107. Effect of failure to qualify

5 A. A FOREIGN LIMITED LIABILITY PARTNERSHIP TRANSACTING BUSINESS IN  
6 THIS STATE MAY NOT MAINTAIN AN ACTION OR PROCEEDING IN THIS STATE UNLESS IT  
7 HAS FILED A STATEMENT OF FOREIGN QUALIFICATION.

8 B. THE FAILURE OF A FOREIGN LIMITED LIABILITY PARTNERSHIP TO FILE A  
9 STATEMENT OF FOREIGN QUALIFICATION DOES NOT IMPAIR THE VALIDITY OF A CONTRACT  
10 OR ACT OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR PREVENT IT FROM  
11 DEFENDING AN ACTION OR PROCEEDING IN THIS STATE.

12 C. LIMITATIONS ON PERSONAL LIABILITY OF PARTNERS ARE NOT WAIVED SOLELY  
13 BY TRANSACTING BUSINESS IN THIS STATE WITHOUT A STATEMENT OF FOREIGN  
14 QUALIFICATION.

15 D. IF A FOREIGN LIMITED LIABILITY PARTNERSHIP TRANSACTS BUSINESS IN  
16 THIS STATE WITHOUT A STATEMENT OF FOREIGN QUALIFICATION, IT APPOINTS THE  
17 SECRETARY OF STATE AS ITS AGENT FOR SERVICE OF PROCESS FOR CLAIMS FOR RELIEF  
18 ARISING OUT OF THE TRANSACTION OF BUSINESS IN THIS STATE.

19 29-1108. Activities not constituting transacting business

20 A. ACTIVITIES OF A FOREIGN LIMITED LIABILITY PARTNERSHIP THAT DO NOT  
21 CONSTITUTE TRANSACTING BUSINESS PURSUANT TO THIS ARTICLE INCLUDE:

- 22 1. MAINTAINING, DEFENDING OR SETTLING AN ACTION OR PROCEEDING.
- 23 2. HOLDING MEETINGS OF ITS PARTNERS OR CARRYING ON ANY OTHER ACTIVITY  
24 CONCERNING ITS INTERNAL AFFAIRS.
- 25 3. MAINTAINING BANK ACCOUNTS.
- 26 4. MAINTAINING OFFICES OR AGENCIES FOR THE TRANSFER, EXCHANGE, AND  
27 REGISTRATION OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP'S OWN SECURITIES  
28 OR MAINTAINING TRUSTEES OR DEPOSITORIES WITH RESPECT TO THOSE SECURITIES.
- 29 5. SELLING THROUGH INDEPENDENT CONTRACTORS.
- 30 6. SOLICITING OR OBTAINING ORDERS, WHETHER BY MAIL OR THROUGH  
31 EMPLOYEES OR AGENTS OR OTHERWISE, IF THE ORDERS REQUIRE ACCEPTANCE OUTSIDE  
32 THIS STATE BEFORE THEY BECOME CONTRACTS.
- 33 7. CREATING OR ACQUIRING INDEBTEDNESS, MORTGAGES OR SECURITY INTEREST  
34 IN REAL OR PERSONAL PROPERTY.
- 35 8. SECURING OR COLLECTING DEBTS OR ENFORCING MORTGAGES OR OTHER  
36 SECURITY INTERESTS IN PROPERTY SECURING THE DEBTS, AND HOLDING, PROTECTING,  
37 AND MAINTAINING PROPERTY SO ACQUIRED.
- 38 9. CONDUCTING AN ISOLATED TRANSACTION THAT IS COMPLETED WITHIN THIRTY  
39 DAYS AND IS NOT ONE IN THE COURSE OF SIMILAR TRANSACTIONS OF A LIKE MANNER.
- 40 10. TRANSACTING BUSINESS IN INTERSTATE COMMERCE.

41 B. FOR PURPOSES OF THIS ARTICLE, THE OWNERSHIP IN THIS STATE OF  
42 INCOME-PRODUCING REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY, OTHER THAN  
43 PROPERTY EXCLUDED UNDER SUBSECTION A, CONSTITUTES TRANSACTING BUSINESS IN  
44 THIS STATE.

1 C. THIS SECTION DOES NOT APPLY IN DETERMINING THE CONTRACTS OR  
2 ACTIVITIES THAT MAY SUBJECT A FOREIGN LIMITED LIABILITY PARTNERSHIP TO  
3 SERVICE OF PROCESS, TAXATION, OR REGULATION UNDER ANY OTHER LAW OF THIS  
4 STATE.

5 29-1109. Action by attorney general

6 THE ATTORNEY GENERAL MAY MAINTAIN AN ACTION TO RESTRAIN A FOREIGN  
7 LIMITED LIABILITY PARTNERSHIP FROM TRANSACTING BUSINESS IN THIS STATE IN  
8 VIOLATION OF THIS ARTICLE.

9 ARTICLE 11. MISCELLANEOUS PROVISIONS

10 29-1110. Uniformity of application and construction

11 THIS CHAPTER SHALL BE APPLIED AND CONSTRUED TO EFFECTUATE ITS GENERAL  
12 PURPOSE TO MAKE UNIFORM THE LAW WITH RESPECT TO THE SUBJECT OF THIS CHAPTER  
13 AMONG STATES ENACTING IT.

14 29-1111. Effect of enactment on accrued rights

15 THIS ACT DOES NOT AFFECT:

16 1. AN ACTION OR PROCEEDING COMMENCED OR RIGHT ACCRUED OR ANY LIABILITY  
17 INCURRED BEFORE THE EFFECTIVE DATE OF THIS CHAPTER.

18 2. THE VALIDITY OR ENFORCEABILITY OF ANY PROVISION OF A PARTNERSHIP  
19 AGREEMENT WHICH WAS VALID OR ENFORCEABLE UNDER ANY PRIOR STATUTE THAT WAS IN  
20 EFFECT AT THE TIME SUCH PROVISION BECAME PART OF THE PARTNERSHIP AGREEMENT.

21 Sec. 46. Delayed repeal

22 Title 29, chapter 2, Arizona Revised Statutes, is repealed on  
23 January 1, 2000.

24 Sec. 47. Short title

25 Title 29, chapter 5, Arizona Revised Statutes, as added by this act,  
26 may be cited as the "Uniform Partnership Act (1996)".

27 Sec. 48. Applicability

28 A. Before January 1, 2000, title 29, chapter 5, Arizona Revised  
29 Statutes, as added by this act, governs only a partnership formed:

30 1. After the effective date of this act, unless that partnership is  
31 continuing the business of a dissolved partnership under section 29-241,  
32 Arizona Revised Statutes.

33 2. Before the effective date of this act, that elects, as provided by  
34 subsection C of this section, to be governed by title 29, chapter 5, Arizona  
35 Revised Statutes, as added by this act.

36 B. Beginning January 1, 2000, title 29, chapter 5, Arizona Revised  
37 Statutes, governs all partnerships, including all general and limited  
38 partnerships that have filed a statement of qualification under section  
39 29-1101, Arizona Revised Statutes, or an application for registration as a  
40 limited liability partnership under prior law.

41 C. Before January 1, 2000, a partnership voluntarily may elect, in the  
42 manner provided in its partnership agreement or by law for amending the  
43 partnership agreement, to be governed by title 29, chapter 5, Arizona Revised  
44 Statutes, as added by this act. Before January 1, 2000, a limited liability

1 partnership voluntarily may elect, by filing a statement of qualification  
2 under section 29-1101, to be governed by title 29, chapter 5, Arizona Revised  
3 Statutes, as added by this act. Title 29, chapter 5, Arizona Revised  
4 Statutes, as added by this act relating to the liability of the partnership's  
5 or limited liability partnership's partners to third parties applies to limit  
6 those partners' liability to a third party who had done business with the  
7 partnership or limited liability partnership within one year preceding its  
8 election to be governed by title 29, chapter 5, Arizona Revised Statutes, as  
9 added by this act, only if the third party knows or has received a  
10 notification of the partnership's or limited liability partnership's election  
11 to be governed by title 29, chapter 5, Arizona Revised Statutes, as added by  
12 this act before the applicable transaction with or occurrence involving the  
13 partnership or limited liability partnership.

APPROVED BY THE GOVERNOR APRIL 20, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 22, 1996