

SENATE BILL NO. 199—SENATORS CARE AND AMODEI

MARCH 17, 2005

JOINT SPONSOR: ASSEMBLYWOMAN OHRENSCHALL

Referred to Committee on Judiciary

SUMMARY—Adopts Uniform Partnership Act of 1997 and Uniform Limited Partnership Act of 2001. (BDR 7-358)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to business entities; adopting the Uniform Partnership Act (1997) and the Uniform Limited Partnership Act (2001); and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Uniform Partnership Act was first promulgated by the National Conference of Commissioners on State Laws in 1914. The Uniform Limited Partnership Act was first promulgated by the Uniform Law Commissioners in 1916. Those Acts have provided the basic law governing partnerships in the United States since that time. Nevada has adopted those Uniform Acts which are codified as Chapters 87 and 88 of the Nevada Revised Statutes. The Uniform Partnership Act has been revised several times since the initial approval of the Act. At least 30 states, the District of Columbia and Puerto Rico have adopted these revisions. This bill incorporates these revisions into the Uniform Partnership Act as codified in the Nevada Revised Statutes by repealing and amending various provisions of the Act.

The nature of a partnership under existing law is somewhat of a hybrid between an aggregate of partners and a separate legal entity.

This bill establishes a partnership as a separate legal entity, and not merely as an aggregate of partners.

Existing law provides that the Uniform Partnership Act operates as a default in the event that there is no express provision in the partnership agreement.

This bill expressly recognizes the primacy of the partnership agreement over statute, including the Uniform Act. The agreement controls and the rules of the Uniform Partnership Act are regarded as default rules, with the exception of certain specific rules that protect the interests of the partner in the partnership. For



example, the duty of loyalty and good faith of a partner cannot be abrogated by agreement.

Existing law requires partners to provide full disclosure to each other.

This bill expands the fiduciary duties of partners to each other, by providing for express obligations of loyalty, due care and good faith. An agreement cannot abrogate these fiduciary duties. There is a duty not to engage in business on behalf of someone with an adverse interest to the partnership and a partner must refrain from business in competition with the partnership. The standard of care with respect to other partners is gross negligence or reckless conduct. Ordinary negligence does not create liability.

Existing law provides for the dissolution of a partnership upon the occurrence of specific events. At dissolution, the business of the partnership is wound up and the assets of the partnership, after payment of creditors, are distributed among the partners.

This bill provides that the ordinary dissociation of a partner does not result in the dissolution of the entity. Certain events must occur to cause the partnership to dissolve. Unless at least one-half of the remaining partners move by express will to dissolve the partnership within 90 days after the initial dissociation of a partner, the partnership continues.

This bill adds new provisions not previously addressed by the Uniform Partnership Act concerning conversion and merger. This bill allows for a partnership to convert to a limited partnership and for a limited partnership to convert to a partnership. A partnership may also merge with another partnership or limited partnership, forming an entirely new entity. Although existing law does not prohibit these conversions and mergers, this bill provides procedures to carry out those actions.

This bill also makes various other changes recommended by the Uniform Law Commissioners and technical changes to carry out the recommendations.

The Uniform Limited Partnership Act, as amended in 1976 and 1985, has been adopted in 49 states, the District of Columbia and the U.S. Virgin Islands. (Chapter 88 of NRS) In 2001, however, the Uniform Law Commissioners adopted a completely new version of the Uniform Limited Partnership Act. The new Act has been adopted by at least 4 states and is currently under consideration by various other state legislatures.

This bill incorporates the revisions proposed by the Uniform Law Commissioners into the Uniform Limited Partnership Act in this State. Although those revisions do not change the basic structure of limited partnerships as defined in the original Act, the revisions incorporate many of the provisions of the Uniform Partnership Act and the Uniform Limited Liability Company Act (not adopted in this State) into the Uniform Limited Liability Partnership Act so that it is a stand-alone Act and not dependent on provisions in other Acts. As a result, as revised, the Uniform Limited Liability Partnership Act is much longer than the Act as it is currently codified.

The revisions proposed in this bill address the changing manner in which limited partnerships are used. These revisions were made to specifically address limited partnerships used for family limited partnerships in estate planning and used highly-sophisticated, manager-controlled limited partnerships.

Existing law requires the duration of the limited partnership to be specified in the certificate of the limited partnership.

This bill deletes this requirement and provides the default rule that the partnership continues unless the agreement provides for termination, thereby providing for the partnership to continue as a perpetual entity.

Under existing law, a limited partner may withdraw from the partnership by providing 6 months' notice, unless the partnership agreement specifies the withdrawal events for a limited partner.



This bill provides that there is no right to disassociate as a limited partner before the termination of the limited partnership. The power to disassociate may only be exercised through the partnership agreement or through specific events.

Under existing law, a limited partner can be held liable for the debts of the entity if he participates in the control of the business and a third party transacts business with the partnership with the reasonable belief that the limited partner is a general partner. General partners have complete liability for such acts.

This bill provides that a limited partner cannot be held liable for the partnership debts even if he participates in the management and control of the limited partnership. In addition, this bill provides that limited liability limited partnership status may be used to provide a shield to liability to all general partners.

Existing law prohibits the use of a limited partner's name in the name of the entity except in unusual circumstances.

This bill removes that prohibition so that a limited partner's name may be incorporated into the business name of an entity created as a limited partnership.

Existing law provides that dissolution of the partnership entity requires the unanimous, written consent of all the partners.

This bill provides that only consent of all the general partners and limited partners owning a majority of the rights to receive distributions as limited partners is required to dissolve the partnership.

This bill makes various other changes to incorporate the recommendations of the Uniform Law Commissioners and addresses such issues as allocating power between general partners and limited partners and setting fiduciary duties owed by general partners to other general and limited partners.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 87 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 78, inclusive, of this act.

Sec. 2. *This chapter may be cited as the Uniform Partnership Act (1997).*

Sec. 3. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 4 to 22, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *“Business” includes every trade, occupation and profession.*

Sec. 5. *“Debtor in bankruptcy” means a person who is the subject of:*

1. An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or

2. A comparable order under federal, state or foreign law governing insolvency.



1 **Sec. 6.** *“Distribution” means a transfer of money or other*
2 *property from a partnership to a partner in the partner’s capacity*
3 *as a partner or to the partner’s transferee.*

4 **Sec. 7.** *“Foreign registered limited-liability partnership”*
5 *means a partnership that:*

6 1. *Is formed under laws other than the laws of this State;*

7 2. *Has the status of a limited-liability partnership under those*
8 *laws; and*

9 3. *Has registered pursuant to and is complying with NRS*
10 *87.440 to 87.560, inclusive.*

11 **Sec. 8.** *“Partnership” means an association of two or more*
12 *persons to carry on as co-owners of a business for profit formed*
13 *under section 30 of this act, predecessor law or comparable law of*
14 *another jurisdiction.*

15 **Sec. 9.** *“Partnership agreement” means the agreement,*
16 *whether written, oral or implied, among the partners concerning*
17 *the partnership, including amendments to the partnership*
18 *agreement.*

19 **Sec. 10.** *“Partnership at will” means a partnership in which*
20 *the partners have not agreed to remain partners until the*
21 *expiration of a definite term or the completion of a particular*
22 *undertaking.*

23 **Sec. 11.** *“Partnership interest” or “partner’s interest in the*
24 *partnership” means all of a partner’s interests in the partnership,*
25 *including the partner’s transferable interest and all management*
26 *and other rights.*

27 **Sec. 12.** *“Person” means any natural person, corporation,*
28 *business trust, estate, trust, partnership, association, joint venture,*
29 *government or governmental subdivision, agency or*
30 *instrumentality or any other legal or commercial entity.*

31 **Sec. 13.** *“Professional service” means any type of personal*
32 *service that may legally be performed only pursuant to a license or*
33 *certificate of registration.*

34 **Sec. 14.** *“Property” means all property, real, personal or*
35 *mixed, tangible or intangible, or any interest therein.*

36 **Sec. 15.** *“Record” means information that is inscribed on a*
37 *tangible medium or that is stored in an electronic or other medium*
38 *and is retrievable in perceivable form.*

39 **Sec. 16.** *“Registered limited-liability partnership” means a*
40 *partnership formed pursuant to an agreement governed by this*
41 *chapter for the purpose of rendering a professional service and*
42 *registered pursuant to and complying with NRS 87.440 to 87.560,*
43 *inclusive.*

44 **Sec. 17.** *“Sign” means to affix a signature to a record.*



1 **Sec. 18.** *“Signature” means a name, word, symbol or mark*
2 *executed or otherwise adopted, or a record encrypted or similarly*
3 *processed in whole or in part, by a person with the present intent*
4 *to identify himself and adopt or accept a record. The term*
5 *includes, without limitation, an electronic signature as defined in*
6 *NRS 719.100.*

7 **Sec. 19.** *“State” means a state of the United States, the*
8 *District of Columbia, the Commonwealth of Puerto Rico or any*
9 *territory or insular possession subject to the jurisdiction of the*
10 *United States.*

11 **Sec. 20.** *“Statement” means:*

12 1. *A statement of partnership authority under section 35 of*
13 *this act;*

14 2. *A statement of denial under section 36 of this act;*

15 3. *A statement of dissociation under section 57 of this act;*

16 4. *A statement of dissolution under section 63 of this act;*

17 5. *A statement of merger under section 72 of this act; or*

18 6. *An amendment or cancellation of any of the statements set*
19 *forth in subsections 1 to 5, inclusive.*

20 **Sec. 21.** *“Street address” of a resident agent means the*
21 *actual physical location in this State at which a resident agent is*
22 *available for service of process.*

23 **Sec. 22.** *“Transfer” includes an assignment, conveyance,*
24 *lease, mortgage, deed and encumbrance.*

25 **Sec. 23.** 1. *A person knows a fact if the person has actual*
26 *knowledge of it.*

27 2. *A person has notice of a fact if the person:*

28 (a) *Knows of it;*

29 (b) *Has received a notification of it; or*

30 (c) *Has reason to know it exists from all of the facts known to*
31 *the person at the time in question.*

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

35 4. *A person receives a notification when the notification:*

36 (a) *Comes to the person’s attention; or*

37 (b) *Is duly delivered at the person’s place of business or at any*
38 *other place held out by the person as a place for receiving*
39 *communications.*

40 5. *Except as otherwise provided in subsection 6, a person*
41 *other than a natural person knows, has notice, or receives a*
42 *notification of a fact for purposes of a particular transaction when*
43 *the natural person conducting the transaction knows, has notice,*
44 *or receives a notification of the fact, or in any event when the fact*
45 *would have been brought to the natural person’s attention if the*



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

11 6. A partner's knowledge, notice, or receipt of a notification
12 of a fact relating to the partnership is effective immediately as
13 knowledge by, notice to, or receipt of a notification by the
14 partnership, except in the case of a fraud on the partnership
15 committed by or with the consent of that partner.

16 **Sec. 24.** 1. Except as otherwise provided in subsection 2,
17 relations among the partners and between the partners and the
18 partnership are governed by the partnership agreement. To the
19 extent the partnership agreement does not otherwise provide, this
20 chapter governs relations among the partners and between the
21 partners and the partnership.

22 2. The partnership agreement may not:

23 (a) Vary the rights and duties under section 26 of this act
24 except to eliminate the duty to provide copies of statements to all of
25 the partners;

26 (b) Unreasonably restrict the right of access to books and
27 records under subsection 2 of section 43 of this act;

28 (c) Eliminate the duty of loyalty under subsection 2 of section
29 44 of this act or paragraph (c) of subsection 2 of section 53 of this
30 act, but:

31 (1) The partnership agreement may identify specific types
32 or categories of activities that do not violate the duty of loyalty, if
33 not manifestly unreasonable; or

34 (2) All of the partners or a number or percentage specified
35 in the partnership agreement may authorize or ratify, after full
36 disclosure of all material facts, a specific act or transaction that
37 otherwise would violate the duty of loyalty;

38 (d) Unreasonably reduce the duty of care under subsection 3
39 of section 44 of this act or paragraph (c) of subsection 2 of section
40 53 of this act;

41 (e) Eliminate the obligation of good faith and fair dealing
42 under subsection 4 of section 44 of this act, but the partnership
43 agreement may prescribe the standards by which the performance
44 of the obligation is to be measured, if the standards are not
45 manifestly unreasonable;



1 (f) Vary the power to dissociate as a partner under subsection
2 1 of section 52 of this act, except to require the notice under
3 subsection 1 of section 51 of this act to be in writing;

4 (g) Vary the right of a court to expel a partner in the events
5 specified in subsection 5 of section 51 of this act;

6 (h) Vary the requirement to wind up the partnership business
7 in cases specified in subsections 4, 5 or 6 of section 59 of this act;

8 (i) Vary the law applicable to a registered limited-liability
9 partnership under subsection 2 of section 27 of this act; or

10 (j) Restrict rights of third parties under this chapter.

11 **Sec. 25.** 1. Unless displaced by particular provisions of this
12 chapter, the principles of law and equity supplement this chapter.

13 2. If an obligation to pay interest arises under this chapter
14 and the rate is not specified, the rate is that specified in
15 NRS 99.040.

16 **Sec. 26.** 1. A statement may be filed in the Office of the
17 Secretary of State. A certified copy of a statement that is filed in an
18 office in another state may be filed in the Office of the Secretary of
19 State. Either filing has the effect provided in this chapter with
20 respect to partnership property located in or transactions that
21 occur in this State.

22 2. A certified copy of a statement that has been filed in the
23 Office of the Secretary of State and recorded in the office of the
24 applicable county recorder has the effect provided for recorded
25 statements in this chapter. A recorded statement that is not a
26 certified copy of a statement filed in the Office of the Secretary of
27 State does not have the effect provided for recorded statements in
28 this chapter.

29 3. A statement filed by a partnership must be executed by at
30 least two partners. Other statements must be executed by a partner
31 or other person authorized by this chapter. A natural person who
32 executes a statement as, or on behalf of, a partner or other person
33 named as a partner in a statement shall personally declare under
34 penalty of perjury that the contents of the statement are accurate.

35 4. A person authorized by this chapter to file a statement may
36 amend or cancel the statement by filing an amendment or
37 cancellation that names the partnership, identifies the statement
38 and states the substance of the amendment or cancellation.

39 5. A person who files a statement pursuant to this section
40 shall promptly send a copy of the statement to every nonfiling
41 partner and to any other person named as a partner in the
42 statement. Failure to send a copy of a statement to a partner or
43 other person does not limit the effectiveness of the statement as to
44 a person not a partner.



1 **Sec. 27. 1.** *Except as otherwise provided in this section, the*
2 *law of the jurisdiction in which a partnership has its chief*
3 *executive office governs relations among the partners and between*
4 *the partners and the partnership.*

5 **2.** *With respect to a registered limited-liability partnership,*
6 *the law of this State governs:*

7 **(a)** *Relations among the partners and between the partners*
8 *and the partnership; and*

9 **(b)** *The liability of partners for an obligation of the*
10 *partnership.*

11 **3.** *With respect to a foreign registered limited-liability*
12 *partnership, the law of the jurisdiction under which the foreign*
13 *registered limited-liability partnership is formed governs:*

14 **(a)** *Relations among the partners and between the partners*
15 *and the partnership; and*

16 **(b)** *The liability of partners for an obligation of the*
17 *partnership.*

18 **Sec. 28.** *A partnership governed by this chapter is subject to*
19 *any amendment to or repeal of this chapter.*

20 **Sec. 29. 1.** *A partnership is an entity distinct from its*
21 *partners.*

22 **2.** *A registered limited-liability partnership continues to be*
23 *the same entity that existed before the filing of a certificate of*
24 *registration pursuant to NRS 87.440.*

25 **Sec. 30. 1.** *Except as otherwise provided in subsection 2,*
26 *the association of two or more persons to carry on as co-owners of*
27 *a business for profit forms a partnership, whether or not the*
28 *persons intend to form a partnership.*

29 **2.** *An association formed under a statute other than this*
30 *chapter, a predecessor statute or a comparable statute of another*
31 *jurisdiction is not a partnership under this chapter.*

32 **3.** *In determining whether a partnership is formed, the*
33 *following rules apply:*

34 **(a)** *Joint tenancy, tenancy in common, tenancy by the*
35 *entireties, joint property, common property or part ownership does*
36 *not by itself establish a partnership, even if the co-owners share*
37 *profits made by the use of the property.*

38 **(b)** *The sharing of gross returns does not by itself establish a*
39 *partnership, even if the persons sharing them have a joint or*
40 *common right or interest in property from which the returns are*
41 *derived.*

42 **(c)** *A person who receives a share of the profits of a business is*
43 *presumed to be a partner in the business, unless the profits were*
44 *received in payment:*

45 **(1)** *Of a debt by installments or otherwise;*



(2) *For services as an independent contractor or of wages or other compensation to an employee;*

(3) *Of rent;*

(4) *Of an annuity or other retirement or health benefit to a beneficiary, representative or designee of a deceased or retired partner;*

(5) *Of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds or increase in value derived from the collateral; or*

(6) *For the sale of the goodwill of a business or other property by installments or otherwise.*

Sec. 31. *Property acquired by a partnership is property of the partnership and not of the partners individually.*

Sec. 32. 1. *Property is partnership property if acquired in the name of:*

(a) *The partnership; or*

(b) *One or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership but without an indication of the name of the partnership.*

2. *Property is acquired in the name of the partnership by a transfer to:*

(a) *The partnership in its name; or*

(b) *One or more partners in their capacity as partners in the partnership, if the name of the partnership is indicated in the instrument transferring title to the property.*

3. *Property is presumed to be partnership property if purchased with partnership assets, even if not acquired in the name of the partnership or of one or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership.*

4. *Property acquired in the name of one or more of the partners, without an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership and without use of partnership assets, is presumed to be separate property, even if used for partnership purposes.*

Sec. 33. *Subject to the effect of a statement of partnership authority under section 35 of this act:*

1. *Each partner is an agent of the partnership for the purpose of its business. An act of a partner, including the execution of an instrument in the partnership name, for apparently carrying on in the ordinary course the partnership business or business of the*



1 *kind carried on by the partnership binds the partnership, unless*
2 *the partner had no authority to act for the partnership in the*
3 *particular matter and the person with whom the partner was*
4 *dealing knew or had received a notification that the partner lacked*
5 *authority.*

6 2. *An act of a partner which is not apparently for carrying on*
7 *in the ordinary course the partnership business or business of the*
8 *kind carried on by the partnership binds the partnership only if*
9 *the act was authorized by the other partners.*

10 **Sec. 34.** 1. *Partnership property may be transferred as*
11 *follows:*

12 (a) *Subject to the effect of a statement of partnership authority*
13 *under section 35 of this act, partnership property held in the name*
14 *of the partnership may be transferred by an instrument of transfer*
15 *executed by a partner in the partnership name.*

16 (b) *Partnership property held in the name of one or more*
17 *partners with an indication in the instrument transferring the*
18 *property to them of their capacity as partners or of the existence of*
19 *a partnership, but without an indication of the name of the*
20 *partnership, may be transferred by an instrument of transfer*
21 *executed by the persons in whose name the property is held.*

22 (c) *Partnership property held in the name of one or more*
23 *persons other than the partnership, without an indication in the*
24 *instrument transferring the property to them of their capacity as*
25 *partners or of the existence of a partnership, may be transferred*
26 *by an instrument of transfer executed by the persons in whose*
27 *name the property is held.*

28 2. *A partnership may recover partnership property from a*
29 *transferee only if it proves that execution of the instrument of*
30 *initial transfer did not bind the partnership under section 33 of*
31 *this act and:*

32 (a) *As to a subsequent transferee who gave value for property*
33 *transferred under paragraph (a) or (b) of subsection 1, proves that*
34 *the subsequent transferee knew or had received a notification that*
35 *the person who executed the instrument of initial transfer lacked*
36 *authority to bind the partnership; or*

37 (b) *As to a transferee who gave value for property transferred*
38 *under paragraph (c) of subsection 1, proves that the transferee*
39 *knew or had received a notification that the property was*
40 *partnership property and that the person who executed the*
41 *instrument of initial transfer lacked authority to bind the*
42 *partnership.*

43 3. *A partnership may not recover partnership property from a*
44 *subsequent transferee if the partnership would not have been*



1 *entitled to recover the property, under subsection 2, from any*
2 *earlier transferee of the property.*

3 *4. If a person holds all of the partners' interests in the*
4 *partnership, all of the partnership property vests in that person.*
5 *The person may execute a document in the name of the*
6 *partnership to evidence vesting of the property in that person and*
7 *may file or record the document.*

8 **Sec. 35. 1. A partnership may file a statement of**
9 **partnership authority, which:**

10 (a) **Must include:**

11 (1) *The name of the partnership;*

12 (2) *The street address of its chief executive office and of*
13 *one office in this State, if there is one;*

14 (3) *The names and mailing addresses of all of the partners*
15 *or of an agent appointed and maintained by the partnership for*
16 *the purpose of subsection 2; and*

17 (4) *The names of the partners authorized to execute an*
18 *instrument transferring real property held in the name of the*
19 *partnership; and*

20 (b) *May state the authority, or limitations on the authority, of*
21 *some or all of the partners to enter into other transactions on*
22 *behalf of the partnership and any other matter.*

23 2. *If a statement of partnership authority names an agent, the*
24 *agent shall maintain a list of the names and mailing addresses of*
25 *all of the partners and make it available to any person on request*
26 *for good cause shown.*

27 3. *If a filed statement of partnership authority is executed*
28 *pursuant to subsection 3 of section 26 of this act and states the*
29 *name of the partnership but does not contain all of the other*
30 *information required by subsection 1, the statement nevertheless*
31 *operates with respect to a person not a partner as provided in*
32 *subsections 4 and 5.*

33 4. *Except as otherwise provided in subsection 7, a filed*
34 *statement of partnership authority supplements the authority of a*
35 *partner to enter into transactions on behalf of the partnership as*
36 *follows:*

37 (a) *Except for transfers of real property, a grant of authority*
38 *contained in a filed statement of partnership authority is*
39 *conclusive in favor of a person who gives value without knowledge*
40 *to the contrary, so long as and to the extent that a limitation on*
41 *that authority is not then contained in another filed statement. A*
42 *filed cancellation of a limitation on authority revives the previous*
43 *grant of authority.*

44 (b) *A grant of authority to transfer real property held in the*
45 *name of the partnership contained in a certified copy of a filed*



1 *statement of partnership authority recorded in the office for*
2 *recording transfers of that real property is conclusive in favor of a*
3 *person who gives value without knowledge to the contrary, so long*
4 *as and to the extent that a certified copy of a filed statement*
5 *containing a limitation on that authority is not then of record in*
6 *the office for recording transfers of that real property. The*
7 *recording in the office for recording transfers of that real property*
8 *of a certified copy of a filed cancellation of a limitation on*
9 *authority revives the previous grant of authority.*

10 5. *A person not a partner is deemed to know of a limitation*
11 *on the authority of a partner to transfer real property held in the*
12 *name of the partnership if a certified copy of the filed statement*
13 *containing the limitation on authority is of record in the office for*
14 *recording transfers of that real property.*

15 6. *Except as otherwise provided in subsections 4 and 5 and*
16 *sections 57 and 63 of this act, a person not a partner is not deemed*
17 *to know of a limitation on the authority of a partner merely*
18 *because the limitation is contained in a filed statement.*

19 7. *Unless earlier cancelled, a filed statement of partnership*
20 *authority is cancelled by operation of law 5 years after the date on*
21 *which the statement, or the most recent amendment, was filed with*
22 *the Secretary of State.*

23 **Sec. 36.** *A partner or other person named as a partner in a*
24 *filed statement of partnership authority or in a list maintained by*
25 *an agent pursuant to subsection 2 of section 35 of this act may file*
26 *a statement of denial stating the name of the partnership and the*
27 *fact that is being denied, which may include denial of a person's*
28 *authority or status as a partner. A statement of denial is a*
29 *limitation on authority as provided in subsections 4 and 5 of*
30 *section 35 of this act.*

31 **Sec. 37.** 1. *A partnership is liable for loss or injury caused*
32 *to a person, or for a penalty incurred, as a result of a wrongful act*
33 *or omission, or other actionable conduct, of a partner acting in the*
34 *ordinary course of business of the partnership or with authority of*
35 *the partnership.*

36 2. *If, in the course of the partnership's business or while*
37 *acting with authority of the partnership, a partner receives or*
38 *causes the partnership to receive money or property of a person*
39 *not a partner, and the money or property is misapplied by a*
40 *partner, the partnership is liable for the loss.*

41 **Sec. 38.** 1. *Except as otherwise provided in subsections 2*
42 *and 3, all partners are liable jointly and severally for all*
43 *obligations of the partnership unless otherwise agreed by the*
44 *claimant or provided by law.*



1 2. A person admitted as a partner into an existing partnership
2 is not personally liable for any partnership obligation incurred
3 before the person's admission as a partner.

4 3. An obligation of a partnership incurred while the
5 partnership is a registered limited-liability partnership, whether
6 arising in contract, tort or otherwise, is solely the obligation of the
7 partnership. A partner is not personally liable, directly or
8 indirectly, by way of contribution or otherwise, for such an
9 obligation solely by reason of being or so acting as a partner. This
10 subsection applies notwithstanding anything inconsistent in the
11 partnership agreement that existed immediately before the vote
12 required to become a registered limited-liability partnership
13 pursuant to NRS 87.440.

14 **Sec. 39.** 1. A partnership may sue and be sued in the name
15 of the partnership.

16 2. An action may be brought against the partnership and, to
17 the extent not inconsistent with section 38 of this act, any or all of
18 the partners in the same action or in separate actions.

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

23 4. A judgment creditor of a partner may not levy execution
24 against the assets of the partner to satisfy a judgment based on a
25 claim against the partnership unless the partner is personally
26 liable for the claim under section 38 of this act and:

27 (a) A judgment based on the same claim has been obtained
28 against the partnership and a writ of execution on the judgment
29 has been returned 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
35 partnership assets subject to execution are clearly insufficient to
36 satisfy the judgment, that exhaustion of partnership assets is
37 excessively burdensome or that the grant of permission is an
38 appropriate exercise of the court's equitable powers; or

39 (e) Liability is imposed on the partner by law or contract
40 independent of the existence of the partnership.

41 5. This section applies to any partnership liability or
42 obligation resulting from a representation by a partner or
43 purported partner under section 40 of this act.

44 **Sec. 40.** 1. If a person, by words or conduct, purports to be
45 a partner, or consents to being represented by another as a



1 partner, in a partnership or with one or more persons not
2 partners, the purported partner is liable to a person to whom the
3 representation is made, if that person, relying on the
4 representation, enters into a transaction with the actual or
5 purported partnership. If the representation, either by the
6 purported partner or by a person with the purported partner's
7 consent, is made in a public manner, the purported partner is
8 liable to a person who relies upon the purported partnership even
9 if the purported partner is not aware of being held out as a partner
10 to the claimant. If partnership liability results, the purported
11 partner is liable with respect to that liability as if the purported
12 partner were a partner. If no partnership liability results, the
13 purported partner is liable with respect to that liability jointly and
14 severally with any other person consenting to the representation.

15 2. If a person is thus represented to be a partner in an
16 existing partnership, or with one or more persons not partners, the
17 purported partner is an agent of persons consenting to the
18 representation to bind them to the same extent and in the same
19 manner as if the purported partner were a partner, with respect to
20 persons who enter into transactions in reliance upon the
21 representation. If all of the partners of the existing partnership
22 consent to the representation, a partnership act or obligation
23 results. If fewer than all of the partners of the existing partnership
24 consent to the representation, the person acting and the partners
25 consenting to the representation are jointly and severally liable.

26 3. A person is not liable as a partner merely because the
27 person is named by another in a statement of partnership
28 authority.

29 4. A person does not continue to be liable as a partner merely
30 because of a failure to file a statement of dissociation or to amend
31 a statement of partnership authority to indicate the partner's
32 dissociation from the partnership.

33 5. Except as otherwise provided in subsections 1 and 2,
34 persons who are not partners as to each other are not liable as
35 partners to other persons.

36 **Sec. 41.** 1. Each partner is deemed to have an account that
37 is:

38 (a) Credited with an amount equal to the money plus the value
39 of any other property, net of the amount of any liabilities, the
40 partner contributes to the partnership and the partner's share of
41 the partnership profits; and

42 (b) Charged with an amount equal to the money plus the value
43 of any other property, net of the amount of any liabilities,
44 distributed by the partnership to the partner and the partner's
45 share of the partnership losses.



1 2. Each partner is entitled to an equal share of the
2 partnership profits and is chargeable with a share of the
3 partnership losses in proportion to the partner's share of
4 the profits.

5 3. A partnership shall reimburse a partner for payments
6 made and indemnify a partner for liabilities incurred by the
7 partner in the ordinary course of the business of the partnership
8 or for the preservation of its business or property.

9 4. A partnership shall reimburse a partner for an advance to
10 the partnership beyond the amount of capital the partner agreed to
11 contribute.

12 5. A payment or advance made by a partner which gives rise
13 to a partnership obligation under subsection 3 or 4 constitutes a
14 loan to the partnership which accrues interest from the date of the
15 payment or advance.

16 6. Each partner has equal rights in the management and
17 conduct of the partnership business.

18 7. A partner may use or possess partnership property only on
19 behalf of the partnership.

20 8. A partner is not entitled to remuneration for services
21 performed for the partnership, except for reasonable
22 compensation for services rendered in winding up the business of
23 the partnership.

24 9. A person may become a partner only with the consent of
25 all of the partners.

26 10. A difference arising as to a matter in the ordinary course
27 of business of a partnership may be decided by a majority of the
28 partners. An act outside the ordinary course of business of a
29 partnership and an amendment to the partnership agreement may
30 be undertaken only with the consent of all of the partners.

31 11. This section does not affect the obligations of a
32 partnership to other persons under section 33 of this act.

33 **Sec. 42.** A partner has no right to receive, and may not be
34 required to accept, a distribution in kind.

35 **Sec. 43.** 1. A partnership shall keep its books and records,
36 if any, at its chief executive office.

37 2. A partnership shall provide partners and their agents and
38 attorneys access to its books and records. It shall provide former
39 partners and their agents and attorneys access to books and
40 records pertaining to the period during which they were partners.
41 The right of access provides the opportunity to inspect and copy
42 books and records during ordinary business hours. A partnership
43 may impose a reasonable charge, covering the costs of labor and
44 material, for copies of documents furnished.



1 3. *Each partner and the partnership shall furnish to a*
2 *partner, and to the legal representative of a deceased partner or*
3 *partner under legal disability:*

4 (a) *Without demand, any information concerning the*
5 *partnership's business and affairs reasonably required for*
6 *the proper exercise of the partner's rights and duties under the*
7 *partnership agreement or this chapter; and*

8 (b) *On demand, any other information concerning the*
9 *partnership's business and affairs, except to the extent the demand*
10 *or the information demanded is unreasonable or otherwise*
11 *improper under the circumstances.*

12 **Sec. 44.** 1. *The only fiduciary duties a partner owes to the*
13 *partnership and the other partners are the duty of loyalty and the*
14 *duty of care set forth in subsections 2 and 3.*

15 2. *A partner's duty of loyalty to the partnership and the other*
16 *partners is limited to the following:*

17 (a) *To account to the partnership and hold as trustee for it any*
18 *property, profit or benefit derived by the partner in the conduct*
19 *and winding up of the partnership business or derived from a use*
20 *by the partner of partnership property, including the appropriation*
21 *of a partnership opportunity;*

22 (b) *To refrain from dealing with the partnership in the conduct*
23 *or winding up of the partnership business as or on behalf of a*
24 *party having an interest adverse to the partnership; and*

25 (c) *To refrain from competing with the partnership in the*
26 *conduct of the partnership business before the dissolution of the*
27 *partnership.*

28 3. *A partner's duty of care to the partnership and the other*
29 *partners in the conduct and winding up of the partnership*
30 *business is limited to refraining from engaging in grossly*
31 *negligent or reckless conduct, intentional misconduct or a*
32 *knowing violation of law.*

33 4. *A partner shall discharge the duties to the partnership and*
34 *the other partners under this chapter or under the partnership*
35 *agreement and exercise any rights consistently with the obligation*
36 *of good faith and fair dealing.*

37 5. *A partner does not violate a duty or obligation under this*
38 *chapter or under the partnership agreement merely because the*
39 *partner's conduct furthers the partner's own interest.*

40 6. *A partner may lend money to and transact other business*
41 *with the partnership, and as to each loan or transaction the rights*
42 *and obligations of the partner are the same as those of a person*
43 *who is not a partner, subject to other applicable law.*



1 7. *This section applies to a person winding up the partnership*
2 *business as the personal or legal representative of the last*
3 *surviving partner as if the person were a partner.*

4 **Sec. 45.** 1. *A partnership may maintain an action against a*
5 *partner for a breach of the partnership agreement, or for the*
6 *violation of a duty to the partnership, causing harm to the*
7 *partnership.*

8 2. *A partner may maintain an action against the partnership*
9 *or another partner for legal or equitable relief, with or without an*
10 *accounting as to partnership business, to:*

11 (a) *Enforce the partner's rights under the partnership*
12 *agreement;*

13 (b) *Enforce the partner's rights under this chapter, including:*

14 (1) *The partner's rights under section 41, 43 or 44 of this*
15 *act;*

16 (2) *The partner's right on dissociation to have the partner's*
17 *interest in the partnership purchased pursuant to section 54 of this*
18 *act or enforce any other right under sections 51 to 58, inclusive, of*
19 *this act; or*

20 (3) *The partner's right to compel a dissolution and winding*
21 *up of the partnership business under section 59 of this act or*
22 *enforce any other right under sections 59 to 65, inclusive, of this*
23 *act; or*

24 (c) *Enforce the rights and otherwise protect the interests of the*
25 *partner, including rights and interests arising independently of the*
26 *partnership relationship.*

27 3. *The accrual of, and any time limitation on, a right of*
28 *action for a remedy under this section is governed by other law. A*
29 *right to an accounting upon a dissolution and winding up does not*
30 *revive a claim barred by law.*

31 **Sec. 46.** 1. *If a partnership for a definite term or particular*
32 *undertaking is continued, without an express agreement, after the*
33 *expiration of the term or completion of the undertaking, the rights*
34 *and duties of the partners remain the same as they were at the*
35 *expiration or completion, so far as is consistent with a partnership*
36 *at will.*

37 2. *If the partners, or those of them who habitually acted in*
38 *the business during the term or undertaking, continue the*
39 *business without any settlement or liquidation of the partnership,*
40 *they are presumed to have agreed that the partnership will*
41 *continue.*

42 **Sec. 47.** *A partner is not a co-owner of partnership property*
43 *and has no interest in partnership property which can be*
44 *transferred, either voluntarily or involuntarily.*



1 **Sec. 48.** *The only transferable interest of a partner in the*
2 *partnership is the partner's share of the profits and losses of the*
3 *partnership and the partner's right to receive distributions. The*
4 *interest is personal property.*

5 **Sec. 49.** *1. A transfer, in whole or in part, of a partner's*
6 *transferable interest in the partnership:*

7 *(a) Is permissible;*

8 *(b) Does not by itself cause the partner's dissociation or a*
9 *dissolution and winding up of the partnership business; and*

10 *(c) Does not, as against the other partners or the partnership,*
11 *entitle the transferee, during the continuance of the partnership,*
12 *to participate in the management or conduct of the partnership*
13 *business, to require access to information concerning partnership*
14 *transactions or to inspect or copy the partnership books or*
15 *records.*

16 *2. A transferee of a partner's transferable interest in the*
17 *partnership has a right:*

18 *(a) To receive, in accordance with the transfer, distributions to*
19 *which the transferor would otherwise be entitled;*

20 *(b) To receive upon the dissolution and winding up of the*
21 *partnership business, in accordance with the transfer, the net*
22 *amount otherwise distributable to the transferor; and*

23 *(c) To seek under subsection 6 of section 59 of this act a*
24 *judicial determination that it is equitable to wind up the*
25 *partnership business.*

26 *3. In a dissolution and winding up, a transferee is entitled to*
27 *an account of partnership transactions only from the date of the*
28 *latest account agreed to by all of the partners.*

29 *4. Upon transfer, the transferor retains the rights and duties*
30 *of a partner other than the interest in distributions transferred.*

31 *5. A partnership need not give effect to a transferee's rights*
32 *under this section until it has notice of the transfer.*

33 *6. A transfer of a partner's transferable interest in the*
34 *partnership in violation of a restriction on transfer contained in*
35 *the partnership agreement is ineffective as to a person having*
36 *notice of the restriction at the time of transfer.*

37 **Sec. 50.** *1. On application by a judgment creditor of a*
38 *partner or of a partner's transferee, a court having jurisdiction*
39 *may charge the transferable interest of the judgment debtor to*
40 *satisfy the judgment. The court may appoint a receiver of the*
41 *share of the distributions due or to become due to the judgment*
42 *debtor in respect of the partnership and make all other orders,*
43 *directions, accounts and inquiries the judgment debtor might have*
44 *made or which the circumstances of the case may require.*



1 2. A charging order constitutes a lien on the judgment
2 debtor's transferable interest in the partnership. The court may
3 order a foreclosure of the interest subject to the charging order at
4 any time. The purchaser at the foreclosure sale has the rights of a
5 transferee.

6 3. At any time before foreclosure, an interest charged may be
7 redeemed:

8 (a) By the judgment debtor;

9 (b) With property other than partnership property, by one or
10 more of the other partners; or

11 (c) With partnership property, by one or more of the other
12 partners with the consent of all of the partners whose interests are
13 not so charged.

14 4. This chapter does not deprive a partner of a right under
15 exemption laws with respect to the partner's interest in the
16 partnership.

17 5. This section provides the exclusive remedy by which a
18 judgment creditor of a partner or partner's transferee may satisfy
19 a judgment out of the judgment debtor's transferable interest in
20 the partnership.

21 **Sec. 51.** A partner is dissociated from a partnership upon the
22 occurrence of any of the following events:

23 1. The partnership's having notice of the partner's express
24 will to withdraw as a partner or on a later date specified by the
25 partner;

26 2. An event agreed to in the partnership agreement as
27 causing the partner's dissociation;

28 3. The partner's expulsion pursuant to the partnership
29 agreement;

30 4. The partner's expulsion by the unanimous vote of the
31 other partners if:

32 (a) It is unlawful to carry on the partnership business with that
33 partner;

34 (b) There has been a transfer of all or substantially all of that
35 partner's transferable interest in the partnership, other than a
36 transfer for security purposes, or a court order charging the
37 partner's interest, which has not been foreclosed;

38 (c) Within 90 days after the partnership notifies a corporate
39 partner that it will be expelled because it has filed a certificate of
40 dissolution or the equivalent, its charter has been revoked or its
41 right to conduct business has been suspended by the jurisdiction of
42 its incorporation, there is no revocation of the certificate of
43 dissolution or no reinstatement of its charter or its right to conduct
44 business; or



1 (d) *A partnership that is a partner has been dissolved and its*
2 *business is being wound up;*

3 5. *On application by the partnership or another partner, the*
4 *partner's expulsion by judicial determination because:*

5 (a) *The partner engaged in wrongful conduct that adversely*
6 *and materially affected the partnership business;*

7 (b) *The partner willfully or persistently committed a material*
8 *breach of the partnership agreement or of a duty owed to the*
9 *partnership or the other partners under section 44 of this act; or*

10 (c) *The partner engaged in conduct relating to the partnership*
11 *business which makes it not reasonably practicable to carry on the*
12 *business in partnership with the partner;*

13 6. *The partner's:*

14 (a) *Becoming a debtor in bankruptcy;*

15 (b) *Executing an assignment for the benefit of creditors;*

16 (c) *Seeking, consenting to or acquiescing in the appointment*
17 *of a trustee, receiver or liquidator of that partner or of all or*
18 *substantially all of that partner's property; or*

19 (d) *Failing, within 90 days after the appointment, to have*
20 *vacated or stayed the appointment of a trustee, receiver or*
21 *liquidator of the partner or of all or substantially all of the*
22 *partner's property obtained without the partner's consent or*
23 *acquiescence, or failing within 90 days after the expiration of a*
24 *stay to have the appointment vacated;*

25 7. *In the case of a partner who is a natural person:*

26 (a) *The partner's death;*

27 (b) *The appointment of a guardian or general conservator for*
28 *the partner; or*

29 (c) *A judicial determination that the partner has otherwise*
30 *become incapable of performing the partner's duties under the*
31 *partnership agreement;*

32 8. *In the case of a partner that is a trust or is acting as a*
33 *partner by virtue of being a trustee of a trust, distribution of the*
34 *trust's entire transferable interest in the partnership, but not*
35 *merely by reason of the substitution of a successor trustee;*

36 9. *In the case of a partner that is an estate or is acting as a*
37 *partner by virtue of being a personal representative of an estate,*
38 *distribution of the estate's entire transferable interest in the*
39 *partnership, but not merely by reason of the substitution of a*
40 *successor personal representative; or*

41 10. *Termination of a partner who is not a natural person,*
42 *partnership, corporation, trust or estate.*

43 **Sec. 52. 1. A partner has the power to dissociate at any**
44 **time, rightfully or wrongfully, by express will pursuant to**
45 **subsection 1 of section 51 of this act.**



2. A partner's dissociation is wrongful only if:

(a) It is in breach of an express provision of the partnership agreement; or

(b) In the case of a partnership for a definite term or particular undertaking, before the expiration of the term or the completion of the undertaking:

(1) The partner withdraws by express will, unless the withdrawal follows within 90 days after another partner's dissociation by death or otherwise under subsections 6 to 10, inclusive, of section 51 of this act or wrongful dissociation under this subsection;

(2) The partner is expelled by judicial determination under subsection 5 of section 51 of this act;

(3) The partner is dissociated by becoming a debtor in bankruptcy; or

(4) In the case of a partner who is not a natural person, a trust other than a business trust or an estate, the partner is expelled or otherwise dissociated because it willfully dissolved or terminated.

3. A partner who wrongfully dissociates is liable to the partnership and to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the partner to the partnership or to the other partners.

Sec. 53. 1. If a partner's dissociation results in a dissolution and winding up of the partnership business, the provisions of sections 59 to 65, inclusive, of this act apply. If a partner's dissociation does not result in a dissolution and winding up of the partnership business, the provisions of sections 54 to 58, inclusive, of this act apply.

2. Upon a partner's dissociation:

(a) The partner's right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in section 61 of this act;

(b) The partner's duty of loyalty under paragraph (c) of subsection 2 of section 44 of this act terminates; and

(c) The partner's duty of loyalty under paragraphs (a) and (b) of subsection 2 of section 44 of this act and duty of care under subsection 3 of section 44 of this act continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to section 61 of this act.

Sec. 54. 1. If a partner is dissociated from a partnership without resulting in a dissolution and winding up of the partnership business under section 59 of this act, the partnership shall cause the dissociated partner's interest in the partnership to



1 *be purchased for a buyout price determined pursuant to*
2 *subsection 2.*

3 2. *The buyout price of a dissociated partner's interest is the*
4 *amount that would have been distributable to the dissociating*
5 *partner under subsection 2 of section 65 of this act if, on the date*
6 *of dissociation, the assets of the partnership were sold at a price*
7 *equal to the greater of the liquidation value or the value based on*
8 *a sale of the entire business as a going concern without the*
9 *dissociated partner and the partnership were wound up as of that*
10 *date. Interest must be paid from the date of dissociation to the date*
11 *of payment.*

12 3. *Damages for wrongful dissociation under subsection 2 of*
13 *section 52 of this act, and all other amounts owing, whether or not*
14 *presently due, from the dissociated partner to the partnership,*
15 *must be offset against the buyout price. Interest must be paid from*
16 *the date the amount owed becomes due to the date of payment.*

17 4. *A partnership shall indemnify a dissociated partner whose*
18 *interest is being purchased against all partnership liabilities,*
19 *whether incurred before or after the dissociation, except liabilities*
20 *incurred by an act of the dissociated partner under section 55 of*
21 *this act.*

22 5. *If no agreement for the purchase of a dissociated partner's*
23 *interest is reached within 120 days after a written demand for*
24 *payment, the partnership shall pay, or cause to be paid, in cash to*
25 *the dissociated partner the amount the partnership estimates to be*
26 *the buyout price and accrued interest, reduced by any offsets and*
27 *accrued interest under subsection 3.*

28 6. *If a deferred payment is authorized under subsection 8, the*
29 *partnership may tender a written offer to pay the amount it*
30 *estimates to be the buyout price and accrued interest, reduced by*
31 *any offsets under subsection 3, stating the time of payment, the*
32 *amount and type of security for payment and the other terms and*
33 *conditions of the obligation.*

34 7. *The payment or tender required by subsection 5 or 6 must*
35 *be accompanied by the following:*

36 (a) *A statement of partnership assets and liabilities as of the*
37 *date of dissociation;*

38 (b) *The latest available partnership balance sheet and income*
39 *statement, if any;*

40 (c) *An explanation of how the estimated amount of the*
41 *payment was calculated; and*

42 (d) *Written notice that the payment is in full satisfaction of the*
43 *obligation to purchase unless, within 120 days after the written*
44 *notice, the dissociated partner commences an action to determine*



1 *the buyout price, any offsets under subsection 3 or other terms of*
2 *the obligation to purchase.*

3 8. *A partner who wrongfully dissociates before the expiration*
4 *of a definite term or the completion of a particular undertaking is*
5 *not entitled to payment of any portion of the buyout price until the*
6 *expiration of the term or completion of the undertaking, unless the*
7 *partner establishes to the satisfaction of the court that earlier*
8 *payment will not cause undue hardship to the business of the*
9 *partnership. A deferred payment must be adequately secured and*
10 *bear interest.*

11 9. *A dissociated partner may maintain an action against the*
12 *partnership, pursuant to subparagraph (2) of paragraph (b) of*
13 *subsection 2 of section 45 of this act, to determine the buyout price*
14 *of that partner's interest, any offsets under subsection 3 or other*
15 *terms of the obligation to purchase. The action must be*
16 *commenced within 120 days after the partnership has tendered*
17 *payment or an offer to pay or within 1 year after written demand*
18 *for payment if no payment or offer to pay is tendered. The court*
19 *shall determine the buyout price of the dissociated partner's*
20 *interest, any offset due under subsection 3 and accrued interest,*
21 *and enter judgment for any additional payment or refund. If*
22 *deferred payment is authorized under subsection 8, the court shall*
23 *also determine the security for payment and other terms of the*
24 *obligation to purchase. The court may assess reasonable*
25 *attorney's fees and the fees and expenses of appraisers or other*
26 *experts for a party to the action, in amounts the court finds*
27 *equitable, against a party that the court finds acted arbitrarily,*
28 *vexatiously or not in good faith. The finding may be based on the*
29 *partnership's failure to tender payment or an offer to pay or to*
30 *comply with subsection 7.*

31 **Sec. 55. 1.** *For 2 years after a partner dissociates without*
32 *resulting in a dissolution and winding up of the partnership*
33 *business, the partnership, including a surviving partnership under*
34 *sections 66 to 73, inclusive, of this act, is bound by an act of the*
35 *dissociated partner which would have bound the partnership*
36 *under section 33 of this act before dissociation only if at the time*
37 *of entering into the transaction the other party:*

38 (a) *Reasonably believed that the dissociated partner was then a*
39 *partner;*

40 (b) *Did not have notice of the partner's dissociation; and*

41 (c) *Is not deemed to have had knowledge under subsection 5 of*
42 *section 35 of this act or notice under subsection 3 of section 57 of*
43 *this act.*

44 2. *A dissociated partner is liable to the partnership for any*
45 *damage caused to the partnership arising from an obligation*



1 *incurred by the dissociated partner after dissociation for which the*
2 *partnership is liable under subsection 1.*

3 **Sec. 56.** 1. *A partner's dissociation does not of itself*
4 *discharge the partner's liability for a partnership obligation*
5 *incurred before dissociation. A dissociated partner is not liable for*
6 *a partnership obligation incurred after dissociation, except as*
7 *otherwise provided in subsection 2.*

8 2. *A partner who dissociates without resulting in a dissolution*
9 *and winding up of the partnership business is liable as a partner to*
10 *the other party in a transaction entered into by the partnership, or*
11 *a surviving partnership under sections 66 to 73, inclusive, of this*
12 *act, within 2 years after the partner's dissociation, only if the*
13 *partner is liable for the obligation under section 38 of this act and*
14 *at the time of entering into the transaction the other party:*

15 (a) *Reasonably believed that the dissociated partner was then a*
16 *partner;*

17 (b) *Did not have notice of the partner's dissociation; and*

18 (c) *Is not deemed to have had knowledge under subsection 5 of*
19 *section 35 of this act or notice under subsection 3 of section 57 of*
20 *this act.*

21 3. *By agreement with the partnership creditor and the*
22 *partners continuing the business, a dissociated partner may be*
23 *released from liability for a partnership obligation.*

24 4. *A dissociated partner is released from liability for a*
25 *partnership obligation if a partnership creditor, with notice of the*
26 *partner's dissociation but without the partner's consent, agrees to*
27 *a material alteration in the nature or time of payment of a*
28 *partnership obligation.*

29 **Sec. 57.** 1. *A dissociated partner or the partnership may file*
30 *a statement of dissociation stating the name of the partnership and*
31 *that the partner is dissociated from the partnership.*

32 2. *A statement of dissociation is a limitation on the authority*
33 *of a dissociated partner for the purposes of subsections 4 and 5 of*
34 *section 35 of this act.*

35 3. *For the purposes of paragraph (c) of subsection 1 of*
36 *section 55 of this act and paragraph (c) of subsection 2 of section*
37 *56 of this act, a person not a partner is deemed to have notice of*
38 *the dissociation 90 days after the statement of dissociation is filed.*

39 **Sec. 58.** *Continued use of a partnership name, or a*
40 *dissociated partner's name as part thereof, by partners continuing*
41 *the business does not of itself make the dissociated partner liable*
42 *for an obligation of the partners or the partnership continuing the*
43 *business.*



1 **Sec. 59.** *A partnership is dissolved, and its business must be*
2 *wound up, only upon the occurrence of any of the following*
3 *events:*

4 1. *In a partnership at will, the partnership's having notice*
5 *from a partner, other than a partner who is dissociated under*
6 *subsections 2 to 10, inclusive, of section 51 of this act, of that*
7 *partner's express will to withdraw as a partner, or on a later date*
8 *specified by the partner;*

9 2. *In a partnership for a definite term or particular*
10 *undertaking:*

11 (a) *Within 90 days after a partner's dissociation by death or*
12 *otherwise under subsections 6 to 10, inclusive, of section 51 of this*
13 *act or wrongful dissociation under subsection 2 of section 52 of*
14 *this act, the express will of at least half of the remaining partners*
15 *to wind up the partnership business, for which purpose a partner's*
16 *rightful dissociation pursuant to subparagraph (1) of paragraph*
17 *(b) of subsection 2 of section 52 of this act constitutes the*
18 *expression of that partner's will to wind up the partnership*
19 *business;*

20 (b) *The express will of all of the partners to wind up the*
21 *partnership business; or*

22 (c) *The expiration of the term or the completion of the*
23 *undertaking;*

24 3. *An event agreed to in the partnership agreement resulting*
25 *in the winding up of the partnership business;*

26 4. *An event that makes it unlawful for all or substantially all*
27 *of the business of the partnership to be continued, but a cure of*
28 *illegality within 90 days after notice to the partnership of the event*
29 *is effective retroactively to the date of the event for purposes of this*
30 *section;*

31 5. *On application by a partner, a judicial determination that:*

32 (a) *The economic purpose of the partnership is likely to be*
33 *unreasonably frustrated;*

34 (b) *Another partner has engaged in conduct relating to the*
35 *partnership business which makes it not reasonably practicable to*
36 *carry on the business in partnership with that partner; or*

37 (c) *It is not otherwise reasonably practicable to carry on the*
38 *partnership business in conformity with the partnership*
39 *agreement; or*

40 6. *On application by a transferee of a partner's transferable*
41 *interest, a judicial determination that it is equitable to wind up the*
42 *partnership business:*

43 (a) *After the expiration of the term or completion of the*
44 *undertaking, if the partnership was for a definite term or*



1 *particular undertaking at the time of the transfer or entry of the*
2 *charging order that gave rise to the transfer; or*

3 *(b) At any time, if the partnership was a partnership at will at*
4 *the time of the transfer or entry of the charging order that gave*
5 *rise to the transfer.*

6 **Sec. 60.** 1. *Subject to subsection 2, a partnership continues*
7 *after dissolution only for the purpose of winding up its business.*
8 *The partnership is terminated when the winding up of its business*
9 *is completed.*

10 2. *At any time after the dissolution of a partnership and*
11 *before the winding up of its business is completed, all of the*
12 *partners, including any dissociating partner other than a*
13 *wrongfully dissociating partner, may waive the right to have the*
14 *partnership's business wound up and the partnership terminated.*
15 *In that event:*

16 *(a) The partnership resumes carrying on its business as if*
17 *dissolution had never occurred, and any liability incurred by the*
18 *partnership or a partner after the dissolution and before the*
19 *waiver is determined as if dissolution had never occurred; and*

20 *(b) The rights of a third party accruing under subsection 1 of*
21 *section 62 of this act or arising out of conduct in reliance on the*
22 *dissolution before the third party knew or received a notification*
23 *of the waiver may not be adversely affected.*

24 **Sec. 61.** 1. *After dissolution, a partner who has not*
25 *wrongfully dissociated may participate in winding up the*
26 *partnership's business, but on application of any partner, any*
27 *partner's legal representative or any transferee, the district court,*
28 *for good cause shown, may order judicial supervision of the*
29 *winding up.*

30 2. *The legal representative of the last surviving partner may*
31 *wind up a partnership's business.*

32 3. *A person winding up a partnership's business may*
33 *preserve the partnership business or property as a going concern*
34 *for a reasonable time, prosecute and defend actions and*
35 *proceedings, whether civil, criminal or administrative, settle and*
36 *close the partnership's business, dispose of and transfer the*
37 *partnership's property, discharge the partnership's liabilities,*
38 *distribute the assets of the partnership pursuant to section 65 of*
39 *this act, settle disputes by mediation or arbitration, and perform*
40 *other necessary acts.*

41 **Sec. 62.** *Subject to section 63 of this act, a partnership is*
42 *bound by a partner's act after dissolution that:*

43 1. *Is appropriate for winding up the partnership business; or*



2. *Would have bound the partnership under section 33 of this act before dissolution, if the other party to the transaction did not have notice of the dissolution.*

Sec. 63. 1. *After dissolution, a partner who has not wrongfully dissociated may file a statement of dissolution stating the name of the partnership and that the partnership has dissolved and is winding up its business.*

2. *A statement of dissolution cancels a filed statement of partnership authority for the purposes of subsection 4 of section 35 of this act and is a limitation on authority for the purposes of subsection 5 of section 35 of this act.*

3. *For the purposes of sections 33 and 62 of this act, a person not a partner is deemed to have notice of the dissolution and the limitation on the partners' authority as a result of the statement of dissolution 90 days after it is filed.*

4. *After filing and, if appropriate, recording a statement of dissolution, a dissolved partnership may file and, if appropriate, record a statement of partnership authority which will operate with respect to a person not a partner as provided in subsections 4 and 5 of section 35 of this act in any transaction, whether or not the transaction is appropriate for winding up the partnership business.*

Sec. 64. 1. *Except as otherwise provided in subsection 2 and section 38 of this act, after dissolution a partner is liable to the other partners for the partner's share of any partnership liability incurred under section 62 of this act.*

2. *A partner who, with knowledge of the dissolution, incurs a partnership liability under subsection 2 of section 62 of this act by an act that is not appropriate for winding up the partnership business is liable to the partnership for any damage caused to the partnership arising from the liability.*

Sec. 65. 1. *In winding up a partnership's business, the assets of the partnership, including the contributions of the partners required by this section, must be applied to discharge its obligations to creditors, including, to the extent permitted by law, partners who are creditors. Any surplus must be applied to pay in cash the net amount distributable to partners in accordance with their right to distributions under subsection 2.*

2. *Each partner is entitled to a settlement of all partnership accounts upon winding up the partnership business. In settling accounts among the partners, profits and losses that result from the liquidation of the partnership assets must be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the charges in the partner's account. A partner shall*



1 *contribute to the partnership an amount equal to any excess of the*
2 *charges over the credits in the partner's account but excluding*
3 *from the calculation charges attributable to an obligation for*
4 *which the partner is not personally liable under section 38 of this*
5 *act.*

6 3. *If a partner fails to contribute the full amount required*
7 *under subsection 2, all of the other partners shall contribute, in*
8 *the proportions in which those partners share partnership losses,*
9 *the additional amount necessary to satisfy the partnership*
10 *obligations for which they are personally liable under section 38*
11 *of this act. A partner or partner's legal representative may recover*
12 *from the other partners any contributions the partner makes to the*
13 *extent the amount contributed exceeds that partner's share of the*
14 *partnership obligations for which the partner is personally liable*
15 *under section 38 of this act.*

16 4. *After the settlement of accounts, each partner shall*
17 *contribute, in the proportion in which the partner shares*
18 *partnership losses, the amount necessary to satisfy partnership*
19 *obligations that were not known at the time of the settlement and*
20 *for which the partner is personally liable under section 38 of this*
21 *act.*

22 5. *The estate of a deceased partner is liable for the partner's*
23 *obligation to contribute to the partnership.*

24 6. *An assignee for the benefit of creditors of a partnership or*
25 *a partner, or a person appointed by a court to represent creditors*
26 *of a partnership or a partner, may enforce a partner's obligation*
27 *to contribute to the partnership.*

28 **Sec. 66.** *As used in sections 66 to 73, inclusive, of this act,*
29 *unless the context otherwise requires:*

30 1. *"General partner" means a partner in a partnership and a*
31 *general partner in a limited partnership.*

32 2. *"Limited partner" means a limited partner in a limited*
33 *partnership.*

34 3. *"Limited partnership" means a limited partnership created*
35 *under chapter 88 of NRS, predecessor law or comparable law of*
36 *another jurisdiction.*

37 4. *"Partner" includes both a general partner and a limited*
38 *partner.*

39 **Sec. 67.** 1. *A partnership may be converted to a limited*
40 *partnership pursuant to this section.*

41 2. *The terms and conditions of a conversion of a partnership*
42 *to a limited partnership must be approved by all of the partners or*
43 *by a number or percentage specified for conversion in the*
44 *partnership agreement.*



1 3. After the conversion is approved by the partners, the
2 partnership shall file a certificate of limited partnership in the
3 jurisdiction in which the limited partnership is to be formed. The
4 certificate must include:

5 (a) A statement that the partnership was converted to a limited
6 partnership from a partnership;

7 (b) Its former name; and

8 (c) A statement of the number of votes cast by the partners for
9 and against the conversion and, if the vote is less than unanimous,
10 the number or percentage required to approve the conversion
11 under the partnership agreement.

12 4. The conversion takes effect when the certificate of limited
13 partnership is filed or at any later date specified in the certificate.

14 5. A general partner who becomes a limited partner as a
15 result of the conversion remains liable as a general partner for an
16 obligation incurred by the partnership before the conversion takes
17 effect. If the other party to a transaction with the limited
18 partnership reasonably believes when entering the transaction that
19 the limited partner is a general partner, the limited partner is
20 liable for an obligation incurred by the limited partnership within
21 90 days after the conversion takes effect. The limited partner's
22 liability for all other obligations of the limited partnership
23 incurred after the conversion takes effect is that of a limited
24 partner as provided in chapter 88 of NRS.

25 **Sec. 68.** 1. A limited partnership may be converted to a
26 partnership pursuant to this section.

27 2. Notwithstanding a provision to the contrary in a limited
28 partnership agreement, the terms and conditions of a conversion
29 of a limited partnership to a partnership must be approved by all
30 of the partners.

31 3. After the conversion is approved by the partners, the
32 limited partnership shall cancel its certificate of limited
33 partnership.

34 4. The conversion takes effect when the certificate of limited
35 partnership is cancelled.

36 5. A limited partner who becomes a general partner as a
37 result of the conversion remains liable only as a limited partner
38 for an obligation incurred by the limited partnership before the
39 conversion takes effect. Except as otherwise provided in section 38
40 of this act, the partner is liable as a general partner for an
41 obligation of the partnership incurred after the conversion takes
42 effect.

43 **Sec. 69.** 1. A partnership or limited partnership that has
44 been converted pursuant to sections 66 to 73, inclusive, of this act



1 *is for all purposes the same entity that existed before the*
2 *conversion.*

3 2. *When a conversion takes effect:*

4 (a) *All property owned by the converting partnership or limited*
5 *partnership remains vested in the converted entity;*

6 (b) *All obligations of the converting partnership or limited*
7 *partnership continue as obligations of the converted entity; and*

8 (c) *An action or proceeding pending against the converting*
9 *partnership or limited partnership may be continued as if the*
10 *conversion had not occurred.*

11 **Sec. 70.** 1. *Pursuant to a plan of merger approved as*
12 *provided in subsection 3, a partnership may be merged with one or*
13 *more partnerships or limited partnerships.*

14 2. *The plan of merger must set forth:*

15 (a) *The name of each partnership or limited partnership that is*
16 *a party to the merger;*

17 (b) *The name of the surviving entity into which the other*
18 *partnerships or limited partnerships will merge;*

19 (c) *Whether the surviving entity is a partnership or a limited*
20 *partnership and the status of each partner;*

21 (d) *The terms and conditions of the merger;*

22 (e) *The manner and basis of converting the interests of each*
23 *party to the merger into interests or obligations of the surviving*
24 *entity, or into money or other property in whole or part; and*

25 (f) *The street address of the surviving entity's chief executive*
26 *office.*

27 3. *The plan of merger must be approved:*

28 (a) *In the case of a partnership that is a party to the merger, by*
29 *all of the partners, or a number or percentage specified for merger*
30 *in the partnership agreement; and*

31 (b) *In the case of a limited partnership that is a party to the*
32 *merger, by the vote required for approval of a merger by the law of*
33 *the state or foreign jurisdiction in which the limited partnership is*
34 *organized and, in the absence of such a specifically applicable*
35 *law, by all of the partners, notwithstanding a provision to the*
36 *contrary in the partnership agreement.*

37 4. *After a plan of merger is approved and before the merger*
38 *takes effect, the plan may be amended or abandoned as provided*
39 *in the plan.*

40 5. *The merger takes effect on the later of:*

41 (a) *The approval of the plan of merger by all parties to the*
42 *merger, as provided in subsection 3;*

43 (b) *The filing of all documents required by law to be filed as a*
44 *condition to the effectiveness of the merger; or*

45 (c) *Any effective date specified in the plan of merger.*



1 **Sec. 71. 1. When a merger takes effect:**

2 (a) *The separate existence of every partnership or limited*
3 *partnership that is a party to the merger, other than the surviving*
4 *entity, ceases;*

5 (b) *All property owned by each of the merged partnerships or*
6 *limited partnerships vests in the surviving entity;*

7 (c) *All obligations of every partnership or limited partnership*
8 *that is a party to the merger become the obligations of the*
9 *surviving entity; and*

10 (d) *An action or proceeding pending against a partnership or*
11 *limited partnership that is a party to the merger may be continued*
12 *as if the merger had not occurred, or the surviving entity may be*
13 *substituted as a party to the action or proceeding.*

14 2. *The Secretary of State of this State is the agent for service*
15 *of process in an action or proceeding against a surviving foreign*
16 *partnership or limited partnership to enforce an obligation of a*
17 *domestic partnership or limited partnership that is a party to a*
18 *merger. The surviving entity shall promptly notify the Secretary of*
19 *State of the mailing address of its chief executive office and of any*
20 *change of address. Upon receipt of process, the Secretary of State*
21 *shall mail a copy of the process to the surviving foreign*
22 *partnership or limited partnership.*

23 3. *A partner of the surviving partnership or limited*
24 *partnership is liable for:*

25 (a) *All obligations of a party to the merger for which the*
26 *partner was personally liable before the merger;*

27 (b) *All other obligations of the surviving entity incurred before*
28 *the merger by a party to the merger, but those obligations may be*
29 *satisfied only out of property of the entity; and*

30 (c) *Except as otherwise provided in section 38 of this act, all*
31 *obligations of the surviving entity incurred after the merger takes*
32 *effect, but those obligations may be satisfied only out of property*
33 *of the entity if the partner is a limited partner.*

34 4. *If the obligations incurred before the merger by a party to*
35 *the merger are not satisfied out of the property of the surviving*
36 *partnership or limited partnership, the general partners of that*
37 *party immediately before the effective date of the merger shall*
38 *contribute the amount necessary to satisfy that party's obligations*
39 *to the surviving entity, in the manner provided in section 65 of this*
40 *act or in the limited partnership act of the jurisdiction in which the*
41 *party was formed, as the case may be, as if the merged party were*
42 *dissolved.*

43 5. *A partner of a party to a merger who does not become a*
44 *partner of the surviving partnership or limited partnership is*
45 *dissociated from the entity, of which that partner was a partner, as*



1 of the date the merger takes effect. The surviving entity shall cause
2 the partner's interest in the entity to be purchased under section
3 54 of this act or another statute specifically applicable to that
4 partner's interest with respect to a merger. The surviving entity is
5 bound under section 55 of this act by an act of a general partner
6 dissociated under this subsection, and the partner is liable under
7 section 56 of this act for transactions entered into by the surviving
8 entity after the merger takes effect.

9 **Sec. 72.** 1. After a merger, the surviving partnership or
10 limited partnership may file a statement that one or more
11 partnerships or limited partnerships have merged into the
12 surviving entity.

13 2. A statement of merger must contain:

14 (a) The name of each partnership or limited partnership that is
15 a party to the merger;

16 (b) The name of the surviving entity into which the other
17 partnerships or limited partnership were merged;

18 (c) The street address of the surviving entity's chief executive
19 office and of an office in this State, if any; and

20 (d) Whether the surviving entity is a partnership or a limited
21 partnership.

22 3. Except as otherwise provided in subsection 4, for the
23 purposes of section 34 of this act, property of the surviving
24 partnership or limited partnership which before the merger was
25 held in the name of another party to the merger is property held in
26 the name of the surviving entity upon filing a statement of merger.

27 4. For the purposes of section 34 of this act, real property of
28 the surviving partnership or limited partnership which before the
29 merger was held in the name of another party to the merger is
30 property held in the name of the surviving entity upon recording a
31 certified copy of the statement of merger in the office for recording
32 transfers of that real property.

33 5. A filed and, if appropriate, recorded statement of merger,
34 executed and declared to be accurate pursuant to subsection 3 of
35 section 26 of this act, stating the name of a partnership or limited
36 partnership that is a party to the merger in whose name property
37 was held before the merger and the name of the surviving entity,
38 but not containing all of the other information required by
39 subsection 2, operates with respect to the partnerships or limited
40 partnerships named to the extent provided in subsections 3 and 4.

41 **Sec. 73.** The provisions of sections 66 to 73, inclusive, of this
42 act are not exclusive. Partnerships or limited partnerships may be
43 converted or merged in any other manner provided by law.

44 **Sec. 74.** 1. For the purposes of this section, NRS 87.541 to
45 87.544, inclusive, and sections 75, 76 and 77 of this act, the



1 *following activities do not constitute transacting business in this*
2 *State:*

- 3 (a) *Maintaining, defending or settling any proceeding;*
- 4 (b) *Holding meetings of the partners or carrying on other*
5 *activities concerning internal partnership affairs;*
- 6 (c) *Maintaining accounts in banks or credit unions;*
- 7 (d) *Maintaining offices or agencies for the transfer, exchange*
8 *and registration of the partnerships own securities or maintaining*
9 *trustees or depositaries with respect to those securities;*
- 10 (e) *Making sales through independent contractors;*
- 11 (f) *Soliciting or receiving orders outside this State through or*
12 *in response to letters, circulars, catalogs or other forms of*
13 *advertising, accepting those orders outside this State and filling*
14 *them by shipping goods into this State;*
- 15 (g) *Creating or acquiring indebtedness, mortgages and*
16 *security interests in real or personal property;*
- 17 (h) *Securing or collecting debts or enforcing mortgages and*
18 *security interests in property securing the debts;*
- 19 (i) *Owning, without more, real or personal property;*
- 20 (j) *Isolated transactions completed within 30 days and not a*
21 *part of a series of similar transactions;*
- 22 (k) *The production of motion pictures as defined in*
23 *NRS 231.020;*
- 24 (l) *Transacting business as an out-of-state depository*
25 *institution pursuant to the provisions of title 55 of NRS; and*
- 26 (m) *Transacting business in interstate commerce.*

27 2. *The list of activities in subsection 1 is not exhaustive.*

28 3. *A person who is not transacting business in this State*
29 *within the meaning of this section need not qualify or comply with*
30 *any provision of this chapter, title 55 or 56 of NRS or chapter*
31 *645A, 645B or 645E of NRS unless he:*

32 (a) *Maintains an office in this State for the transaction of*
33 *business; or*

34 (b) *Solicits or accepts deposits in this State, except pursuant to*
35 *the provisions of chapter 666 or 666A of NRS.*

36 4. *The fact that a person is not transacting business in this*
37 *State within the meaning of this section:*

38 (a) *Does not affect the determination of whether any court,*
39 *administrative agency or regulatory body in this State may*
40 *exercise personal jurisdiction over the person in any civil action,*
41 *criminal action, administrative proceeding or regulatory*
42 *proceeding; and*

43 (b) *Except as otherwise provided in subsection 3, does not*
44 *affect the applicability of any other provision of law with respect to*
45 *the person and may not be offered as a defense or introduced in*



1 *evidence in any civil action, criminal action, administrative*
2 *proceeding or regulatory proceeding to prove that the person is not*
3 *transacting business in this State, including, without limitation,*
4 *any civil action, criminal action, administrative proceeding or*
5 *regulatory proceeding involving an alleged violation of chapter*
6 *597, 598 or 598A of NRS.*

7 5. As used in this section, "deposits" means demand deposits,
8 savings deposits and time deposits, as those terms are defined in
9 chapter 657 of NRS.

10 **Sec. 75. 1.** For the purposes of section 74 of this act, a
11 *solicitation of a deposit is made in this State, whether or not either*
12 *party is present in this State, if the solicitation:*

13 (a) *Originates in this State; or*

14 (b) *Is directed by the solicitor to a destination in this State and*
15 *received where it is directed, or at a post office in this State if the*
16 *solicitation is mailed.*

17 2. A solicitation of a deposit is accepted in this State if
18 acceptance:

19 (a) *Is communicated to the solicitor in this State; and*

20 (b) *Has not previously been communicated to the solicitor,*
21 *orally or in writing, outside this State.*

22 ➤ *Acceptance is communicated to the solicitor in this State,*
23 *whether or not either party is present in this State, if the depositor*
24 *directs it to the solicitor reasonably believing the solicitor to be in*
25 *this State and it is received where it is directed, or at any post*
26 *office in this State if the acceptance is mailed.*

27 3. A solicitation made in a newspaper or other publication of
28 general, regular and paid circulation is not made in this State if
29 the publication:

30 (a) *Is not published in this State; or*

31 (b) *Is published in this State but has had more than two-thirds*
32 *of its circulation outside this State during the 12 months preceding*
33 *the solicitation.*

34 ➤ *If a publication is published in editions, each edition is a*
35 *separate publication except for material common to all editions.*

36 4. A solicitation made in a radio or television program or
37 other electronic communication received in this State which
38 originates outside this State is not made in this State. A radio or
39 television program or other electronic communication shall be
40 deemed to have originated in this State if the broadcast studio or
41 origin of the source of transmission is located within the State,
42 unless:

43 (a) *The program or communication is syndicated and*
44 *distributed from outside this State for redistribution to the general*
45 *public in this State;*



1 (b) *The program is supplied by a radio, television or other*
2 *electronic network whose electronic signal originates outside this*
3 *State for redistribution to the general public in this State;*

4 (c) *The program or communication is an electronic signal that*
5 *originates outside this State and is captured for redistribution to*
6 *the general public in this State by a community antenna or cable,*
7 *radio, cable television or other electronic system; or*

8 (d) *The program or communication consists of an electronic*
9 *signal which originates within this State, but which is not intended*
10 *for redistribution to the general public in this State.*

11 **Sec. 76.** *1. A foreign limited-liability partnership*
12 *transacting business in this State may not maintain an action or*
13 *proceeding in this State unless it is registered and authorized to*
14 *transact business in this State pursuant to this section, NRS*
15 *87.541 to 87.544, inclusive, and sections 74, 75 and 77 of this act.*

16 2. *The failure of a foreign limited-liability partnership to be*
17 *registered and authorized to transact business in this State*
18 *pursuant to this section, NRS 87.541 to 87.544, inclusive, and*
19 *sections 74, 75 and 77 of this act does not:*

20 (a) *Impair the validity of a contract or act of the foreign*
21 *limited-liability partnership; or*

22 (b) *Preclude the foreign limited-liability partnership from*
23 *defending an action or proceeding in this State.*

24 3. *A limitation on personal liability of a partner is not waived*
25 *solely by transacting business in this State without being*
26 *registered and authorized to transact business in this State*
27 *pursuant to this section, NRS 87.541 to 87.544, inclusive, and*
28 *sections 74, 75 and 77 of this act.*

29 **Sec. 77.** *The Attorney General may maintain an action to*
30 *restrain a foreign limited-liability partnership from transacting*
31 *business in this State in violation of this section, NRS 87.541 to*
32 *87.544, inclusive, and sections 74, 75 and 76 of this act.*

33 **Sec. 78.** *The provisions of this chapter must be applied and*
34 *construed to effectuate the general purpose to make uniform the*
35 *law with respect to the subject of this chapter among states*
36 *enacting it.*

37 **Sec. 79.** *NRS 87.440 is hereby amended to read as follows:*

38 87.440 1. *A partnership may become a registered limited-*
39 *liability partnership pursuant to this section.*

40 2. *The terms and conditions on which a partnership becomes*
41 *a registered limited-liability partnership must be approved by the*
42 *vote necessary to amend the partnership agreement except, in the*
43 *case of a partnership agreement that expressly considers*
44 *obligations to contribute to the partnership, the vote necessary to*
45 *amend those provisions.*



1 **3.** To become a registered limited-liability partnership, *after*
2 *the approval required pursuant to subsection 2*, a partnership shall
3 file with the Secretary of State a certificate of registration stating
4 each of the following:

5 (a) The name of the partnership.

6 (b) The street address of its principal office.

7 (c) The name of the person designated as the partnership's
8 resident agent, the street address of the resident agent where process
9 may be served upon the partnership and the mailing address of the
10 resident agent if it is different than his street address.

11 (d) The name and business address of each managing partner in
12 this State.

13 (e) A brief statement of the professional service rendered by the
14 partnership.

15 (f) That the partnership thereafter will be a registered limited-
16 liability partnership.

17 (g) Any other information that the partnership wishes to include.

18 ~~[2-]~~ **4.** The certificate of registration must be signed by a
19 majority in interest of the partners or by one or more partners
20 authorized to sign such a certificate.

21 ~~[3-]~~ **5.** The certificate of registration must be accompanied by a
22 fee of \$175.

23 ~~[4-]~~ **6.** The Secretary of State shall register as a registered
24 limited-liability partnership any partnership that submits a
25 completed certificate of registration with the required fee.

26 ~~[5-]~~ **7.** The registration of a registered limited-liability
27 partnership is effective ~~[at the time]~~ *on the later* of the filing of the
28 certificate of registration ~~[]~~ *or a date specified in the certificate of*
29 *registration.*

30 **Sec. 80.** NRS 87.470 is hereby amended to read as follows:

31 87.470 **1.** The registration of a registered limited-liability
32 partnership is effective until:

33 ~~[1-]~~ *(a)* Its certificate of registration is revoked pursuant to NRS
34 87.520; or

35 ~~[2-]~~ *(b)* The registered limited-liability partnership files with the
36 Secretary of State a notice of withdrawal signed by a managing
37 partner. The notice must be accompanied by a fee of \$75.

38 **2.** *A revocation pursuant to NRS 87.520 only affects a*
39 *partnership's status as a registered limited-liability partnership*
40 *and is not an event of dissolution of the partnership.*

41 **Sec. 81.** NRS 87.530 is hereby amended to read as follows:

42 87.530 **1.** Except as otherwise provided in subsection 3, the
43 Secretary of State shall reinstate the certificate of registration of a
44 registered limited-liability partnership that is revoked pursuant to
45 NRS 87.520 if the registered limited-liability partnership:



- 1 (a) Files with the Secretary of State:
 - 2 (1) The information required by NRS 87.510; and
 - 3 (2) A certificate of acceptance of appointment signed by its
 - 4 resident agent; and
- 5 (b) Pays to the Secretary of State:
 - 6 (1) The fee required to be paid pursuant to NRS 87.510;
 - 7 (2) Any penalty required to be paid pursuant to NRS 87.520;
 - 8 and
 - 9 (3) A reinstatement fee of \$300.

10 2. When the Secretary of State reinstates the registered limited-
11 liability partnership, he shall issue to the registered limited-liability
12 partnership a certificate of reinstatement if the registered limited-
13 liability partnership:

- 14 (a) Requests a certificate of reinstatement; and
- 15 (b) Pays the required fees pursuant to NRS 87.550.

16 3. The Secretary of State shall not reinstate the certificate of
17 registration of a registered limited-liability partnership if the
18 certificate was revoked pursuant to the provisions of this chapter at
19 least 5 years before the date of the proposed reinstatement.

20 *4. If the certificate of registration of a registered limited-*
21 *liability partnership is reinstated pursuant to this section, the*
22 *reinstatement relates back to and takes effect on the effective date*
23 *of the revocation, and the partnership's status as a registered*
24 *limited-liability partnership continues as if the revocation had*
25 *never occurred.*

26 **Sec. 82.** NRS 87.5415 is hereby amended to read as follows:

27 87.5415 *1.* If a foreign registered limited-liability partnership
28 has filed the initial or annual list in compliance with NRS 87.541
29 and has paid the appropriate fee for the filing, the cancelled check or
30 other proof of payment received by the foreign registered limited-
31 liability partnership constitutes a certificate authorizing it to transact
32 its business within this State until the last day of the month in which
33 the anniversary of its qualification to transact business occurs in the
34 next succeeding calendar year.

35 *2. A certificate authorizing a foreign registered limited-*
36 *liability partnership to transact its business within this State does*
37 *not authorize the foreign registered limited-liability partnership to*
38 *engage in any business or exercise any power that a partnership*
39 *may not engage in or exercise in this State as a registered limited-*
40 *liability partnership.*

41 **Sec. 83.** NRS 87.5435 is hereby amended to read as follows:

42 87.5435 *1.* Except as otherwise provided in subsections 3 and
43 4, the Secretary of State shall reinstate a foreign registered limited-
44 liability partnership which has forfeited or which forfeits its right to
45 transact business under the provisions of this chapter and shall



1 restore to the foreign registered limited-liability partnership its right
2 to transact business in this State, and to exercise its privileges and
3 immunities, if it:

4 (a) Files with the Secretary of State:

5 (1) The list required by NRS 87.541; and

6 (2) A certificate of acceptance of appointment signed by its
7 resident agent; and

8 (b) Pays to the Secretary of State:

9 (1) The filing fee and penalty set forth in NRS 87.541 and
10 87.5425 for each year or portion thereof that its right to transact
11 business was forfeited; and

12 (2) A fee of \$300 for reinstatement.

13 2. When the Secretary of State reinstates the foreign registered
14 limited-liability partnership, he shall issue to the foreign registered
15 limited-liability partnership a certificate of reinstatement if the
16 foreign registered limited-liability partnership:

17 (a) Requests a certificate of reinstatement; and

18 (b) Pays the required fees pursuant to NRS 87.550.

19 3. The Secretary of State shall not order a reinstatement unless
20 all delinquent fees and penalties have been paid and the revocation
21 of the right to transact business occurred only by reason of failure to
22 pay the fees and penalties.

23 4. If the right of a foreign registered limited-liability
24 partnership to transact business in this State has been forfeited
25 pursuant to the provisions of this chapter and has remained forfeited
26 for a period of 5 consecutive years, the right to transact business
27 must not be reinstated.

28 *5. If the right of a foreign registered limited-liability*
29 *partnership to transact business in this State is reinstated pursuant*
30 *to this section, the reinstatement relates back to and takes effect on*
31 *the effective date of the revocation, and the partnership's status as*
32 *a foreign registered limited-liability partnership continues as if the*
33 *revocation had never occurred.*

34 **Sec. 84.** NRS 87.560 is hereby amended to read as follows:

35 87.560 1. To the extent permitted by the law of that
36 jurisdiction ~~§~~:

37 ~~—(a) A~~ *a* partnership, including a registered limited-liability
38 partnership, formed and existing under this chapter, may conduct its
39 business, carry on its operations ~~§~~ and exercise the powers granted
40 by this chapter in any state, territory, district or possession of the
41 United States or in any foreign country.

42 ~~[(b) The internal affairs of a partnership, including a registered~~
43 ~~limited liability partnership, formed and existing under this chapter,~~
44 ~~including the liability of partners for debts, obligations and~~



~~liabilities of or chargeable to the partnership, are governed by the law of this State.]~~

2. Subject to any statutes for the regulation and control of specific types of business, a registered limited-liability partnership, formed and existing under the law of another jurisdiction ~~[, may do]~~ ;

(a) *May transact* business in this State if it first registers with the Secretary of State pursuant to the provisions of NRS 87.440 to 87.500, inclusive, and 87.541 to 87.544, inclusive ~~[,]~~ ; and

(b) *Must not be denied a certificate of registration authorizing it to transact business in this State because of any difference between the law of the jurisdiction under which the partnership is formed and existing and the law of this State.*

3. The name of a partnership that is registered as a limited-liability partnership in another jurisdiction and doing business in this State must contain the words "Limited-Liability Partnership" or "Registered Limited-Liability Partnership" or the abbreviations "L.L.P." or "LLP," or such other words or abbreviations as may be required or authorized by the law of the other jurisdiction, as the last words or letters of the name.

Sec. 85. Chapter 88 of NRS is hereby amended by adding thereto the provisions set forth as sections 86 to 192, inclusive, of this act.

Sec. 86. *This chapter may be cited as the Uniform Limited Partnership Act (2001).*

Sec. 87. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 88 to 113, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 88. *"Certificate of limited partnership" means the certificate required by section 124 of this act. The term includes the certificate as amended or restated.*

Sec. 89. *"Contribution", except in the phrase "right of contribution," means any benefit provided by a person to a limited partnership in order to become a partner or in the person's capacity as a partner.*

Sec. 90. *"Debtor in bankruptcy" means a person that is the subject of:*

1. *An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or*

2. *A comparable order under federal, state or foreign law governing insolvency.*



Sec. 91. "Designated office" means:

1. With respect to a limited partnership, the office that the limited partnership is required to designate and maintain under NRS 88.330; and

2. With respect to a foreign limited partnership, its principal office.

Sec. 92. "Distribution" means a transfer of money or other property from a limited partnership to a partner in the partner's capacity as a partner or to a transferee on account of a transferable interest owned by the transferee.

Sec. 93. "Foreign limited partnership" means a partnership formed under the laws of a jurisdiction other than this State and required by those laws to have one or more general partners and one or more limited partners. The term includes a foreign limited-liability limited partnership.

Sec. 94. "Foreign registered limited-liability limited partnership" means a foreign limited-liability limited partnership:

1. Formed pursuant to an agreement governed by the laws of another state; and

2. Registered pursuant to and complying with NRS 88.570 to 88.605, inclusive, and 88.609.

Sec. 95. "General partner" means:

1. With respect to a limited partnership, a person that:

(a) Becomes a general partner under section 136 of this act; or

(b) Was a general partner in a limited partnership when the limited partnership became subject to this chapter under section 206 of this act; and

2. With respect to a foreign limited partnership, a person that has rights, powers and obligations similar to those of a general partner in a limited partnership.

Sec. 96. "Limited partner" means:

1. With respect to a limited partnership, a person that:

(a) Becomes a limited partner under section 130 of this act; or

(b) Was a limited partner in a limited partnership when the limited partnership became subject to this chapter under section 206 of this act; and

2. With respect to a foreign limited partnership, a person that has rights, powers and obligations similar to those of a limited partner in a limited partnership.

Sec. 97. "Limited partnership", except in the phrases "foreign limited partnership", "foreign limited-liability limited partnership" and "foreign registered limited-liability limited partnership", means an entity, having one or more general partners and one or more limited partners, which is formed under this chapter by two or more persons or becomes subject to this



chapter under sections 178 to 190, inclusive, of this act or section 206 of this act. The term includes a registered limited-liability limited partnership.

Sec. 98. "Partner" means a limited partner or general partner.

Sec. 99. "Partnership agreement" means the partners' agreement, whether oral, implied, in a record, or in any combination, concerning the limited partnership. The term includes the agreement as amended.

Sec. 100. "Person" means any natural person, corporation, business trust, estate, trust, partnership, limited-liability company, association, joint venture, government, governmental subdivision, agency or instrumentality, any public corporation or any other legal or commercial entity.

Sec. 101. "Person dissociated as a general partner" means a person dissociated as a general partner of a limited partnership.

Sec. 102. "Principal office" means the office where the principal executive office of a limited partnership or foreign limited partnership is located, whether or not the office is located in this State.

Sec. 103. "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Sec. 104. "Registered limited-liability limited partnership" means a limited partnership:

1. Formed pursuant to an agreement governed by this chapter; and

2. Registered pursuant to and complying with NRS 88.606 to 88.609, inclusive.

Sec. 105. "Required information" means the information that a limited partnership is required to maintain under section 120 of this act.

Sec. 106. "Resident agent" means the agent appointed by a limited partnership upon whom process or a notice or demand authorized by law to be served upon the limited partnership may be served.

Sec. 107. "Sign" means to affix a signature to a record.

Sec. 108. "Signature" means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify himself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.

Sec. 109. "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin



1 *Islands or any territory or insular possession subject to the*
2 *jurisdiction of the United States.*

3 **Sec. 110.** *“Street address” of a resident agent means the*
4 *actual physical location in this State at which a resident agent is*
5 *available for service of process.*

6 **Sec. 111.** *“Transfer” includes an assignment, conveyance,*
7 *deed, bill of sale, lease, mortgage, security interest, encumbrance,*
8 *gift and transfer by operation of law.*

9 **Sec. 112.** *“Transferable interest” means a partner’s right to*
10 *receive distributions.*

11 **Sec. 113.** *“Transferee” means a person to which all or part*
12 *of a transferable interest has been transferred, whether or not the*
13 *transferor is a partner.*

14 **Sec. 114.** 1. *A person knows a fact if the person has actual*
15 *knowledge of it.*

16 2. *A person has notice of a fact if the person:*

17 (a) *Knows of it;*

18 (b) *Has received a notification of it;*

19 (c) *Has reason to know it exists from all of the facts known to*
20 *the person at the time in question; or*

21 (d) *Has notice of it under subsection 3 or 4.*

22 3. *A certificate of limited partnership on file in the Office of*
23 *the Secretary of State is notice that the partnership is a limited*
24 *partnership and the persons designated in the certificate as*
25 *general partners are general partners. Except as otherwise*
26 *provided in subsection 4, the certificate is not notice of any other*
27 *fact.*

28 4. *A person has notice of:*

29 (a) *Another person’s dissociation as a general partner, 90 days*
30 *after the effective date of an amendment to the certificate of*
31 *limited partnership which states that the other person has*
32 *dissociated or 90 days after the effective date of a statement of*
33 *dissociation pertaining to the other person, whichever occurs first;*

34 (b) *A limited partnership’s dissolution, 90 days after the*
35 *effective date of an amendment to the certificate of limited*
36 *partnership stating that the limited partnership is dissolved;*

37 (c) *A limited partnership’s termination, 90 days after the*
38 *effective date of a statement of termination;*

39 (d) *A limited partnership’s conversion under sections 178 to*
40 *190, inclusive, of this act, 90 days after the effective date of the*
41 *articles of conversion; or*

42 (e) *A merger under sections 178 to 190, inclusive, of this act,*
43 *90 days after the effective date of the articles of merger.*



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

4 6. A person receives a notification when the notification:

5 (a) Comes to the person's attention; or

6 (b) Is delivered at the person's place of business or at any
7 other place held out by the person as a place for receiving
8 communications.

9 7. Except as otherwise provided in subsection 8, a person
10 other than a natural person knows, has notice, or receives a
11 notification of a fact for purposes of a particular transaction when
12 the natural person conducting the transaction for the person
13 knows, has notice, or receives a notification of the fact, or in any
14 event when the fact would have been brought to the natural
15 person's attention if the person had exercised reasonable
16 diligence. A person other than a natural person exercises
17 reasonable diligence if it maintains reasonable routines for
18 communicating significant information to the natural person
19 conducting the transaction for the person and there is reasonable
20 compliance with the routines. Reasonable diligence does not
21 require a natural person acting for the person to communicate
22 information unless the communication is part of the natural
23 person's regular duties or the natural person has reason to know
24 of the transaction and that the transaction would be materially
25 affected by the information.

26 8. A general partner's knowledge, notice, or receipt of a
27 notification of a fact relating to the limited partnership is effective
28 immediately as knowledge of, notice to, or receipt of a notification
29 by the limited partnership, except in the case of a fraud on the
30 limited partnership committed by or with the consent of the
31 general partner. A limited partner's knowledge, notice, or receipt
32 of a notification of a fact relating to the limited partnership is not
33 effective as knowledge of, notice to, or receipt of a notification by
34 the limited partnership.

35 **Sec. 115.** 1. A limited partnership is an entity distinct from
36 its partners. A limited partnership is the same entity regardless of
37 whether the limited partnership has registered as a registered
38 limited-liability limited partnership.

39 2. A limited partnership may be organized under this chapter
40 for any lawful purpose.

41 3. A limited partnership has a perpetual duration.

42 **Sec. 116.** A limited partnership has the powers to do all
43 things necessary or convenient to carry on its activities, including
44 the power to sue, be sued and defend in its own name and to
45 maintain an action against a partner for harm caused to the



1 *limited partnership by a breach of the partnership agreement or*
2 *violation of a duty to the partnership.*

3 **Sec. 117.** *The law of this State governs:*

4 *1. Relations among the partners of a limited partnership and*
5 *between the partners and the limited partnership; and*

6 *2. The liability of partners as partners for an obligation of the*
7 *limited partnership.*

8 **Sec. 118.** *1. Unless displaced by particular provisions of*
9 *this chapter, the principles of law and equity supplement this*
10 *chapter.*

11 *2. If an obligation to pay interest arises under this chapter*
12 *and the rate is not specified, the rate is that specified in*
13 *NRS 99.040.*

14 **Sec. 119.** *1. Except as otherwise provided in subsection 2,*
15 *the partnership agreement governs relations among the partners*
16 *and between the partners and the partnership. To the extent the*
17 *partnership agreement does not otherwise provide, this chapter*
18 *governs relations among the partners and between the partners*
19 *and the partnership.*

20 *2. A partnership agreement may not:*

21 *(a) Vary a limited partnership's power under section 116 of*
22 *this act to sue, be sued and defend in its own name;*

23 *(b) Vary the law applicable to a limited partnership under*
24 *section 117 of this act;*

25 *(c) Vary the requirements of section 127 of this act;*

26 *(d) Vary the information required under section 120 of this act*
27 *or unreasonably restrict the right to information under sections*
28 *133 or 142 of this act, but the partnership agreement may impose*
29 *reasonable restrictions on the availability and use of information*
30 *obtained under those sections and may define appropriate*
31 *remedies, including liquidated damages, for a breach of any*
32 *reasonable restriction on use;*

33 *(e) Eliminate the duty of loyalty under section 143 of this act,*
34 *but the partnership agreement may:*

35 *(1) Identify specific types or categories of activities that do*
36 *not violate the duty of loyalty, if not manifestly unreasonable; and*

37 *(2) Specify the number or percentage of partners which*
38 *may authorize or ratify, after full disclosure to all partners of all*
39 *material facts, a specific act or transaction that otherwise would*
40 *violate the duty of loyalty;*

41 *(f) Unreasonably reduce the duty of care under subsection 3 of*
42 *section 143 of this act;*

43 *(g) Eliminate the obligation of good faith and fair dealing*
44 *under subsection 2 of section 134 of this act and subsection 4 of*
45 *section 143 of this act, but the partnership agreement may*



1 *prescribe the standards by which the performance of the*
2 *obligation is to be measured, if the standards are not manifestly*
3 *unreasonable;*

4 *(h) Vary the power of a person to dissociate as a general*
5 *partner under subsection 1 of section 156 of this act except to*
6 *require that the notice under subsection 1 of section 155 of this act*
7 *be in a record;*

8 *(i) Vary the power of a court to decree dissolution in the*
9 *circumstances specified in section 165 of this act;*

10 *(j) Vary the requirement to wind up the partnership's business*
11 *as specified in section 166 of this act;*

12 *(k) Unreasonably restrict the right to maintain an action under*
13 *sections 173 to 177, inclusive, of this act;*

14 *(l) Restrict the right of a partner under subsection 1 of section*
15 *187 of this act to approve a conversion or merger; or*

16 *(m) Restrict rights under this chapter of a person other than a*
17 *partner or a transferee.*

18 **Sec. 120.** *A limited partnership shall maintain at its*
19 *designated office the following information:*

20 *1. A current list showing the full name and last known street*
21 *and mailing address of each partner, separately identifying the*
22 *general partners, in alphabetical order, and the limited partners,*
23 *in alphabetical order.*

24 *2. A copy of the initial certificate of limited partnership and*
25 *all amendments to and restatements of the certificate, together*
26 *with signed copies of any powers of attorney under which any*
27 *certificate, amendment or restatement has been signed.*

28 *3. A copy of any filed articles of conversion or merger.*

29 *4. A copy of the limited partnership's federal, state and local*
30 *income tax returns and reports, if any, for the 3 most recent years.*

31 *5. A copy of any partnership agreement made in a record and*
32 *any amendment made in a record to any partnership agreement.*

33 *6. A copy of any financial statement of the limited*
34 *partnership for the 3 most recent years.*

35 *7. A copy of the three most recent annual lists filed with the*
36 *Secretary of State pursuant to NRS 88.395.*

37 *8. A copy of any record made by the limited partnership*
38 *during the past 3 years of any consent given by or vote taken of*
39 *any partner pursuant to this chapter or the partnership agreement.*

40 *9. Unless contained in a partnership agreement made in a*
41 *record, a record stating:*

42 *(a) The amount of cash, and a description and statement of the*
43 *agreed value of the other benefits, contributed and agreed to be*
44 *contributed by each partner;*



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

4 (c) *For any person that is both a general partner and a limited*
5 *partner, a specification of what transferable interest the person*
6 *owns in each capacity; and*

7 (d) *Any events upon the happening of which the limited*
8 *partnership is to be dissolved and its activities wound up.*

9 **Sec. 121.** *A partner may lend money to and transact other*
10 *business with the limited partnership and has the same rights and*
11 *obligations with respect to the loan or other transaction as a*
12 *person that is not a partner.*

13 **Sec. 122.** *A person may be both a general partner and a*
14 *limited partner. A person that is both a general and limited partner*
15 *has the rights, powers, duties and obligations provided by this*
16 *chapter and the partnership agreement in each of those capacities.*
17 *When the person acts as a general partner, the person is subject to*
18 *the obligations, duties and restrictions under this chapter and the*
19 *partnership agreement for general partners. When the person acts*
20 *as a limited partner, the person is subject to the obligations, duties*
21 *and restrictions under this chapter and the partnership agreement*
22 *for limited partners.*

23 **Sec. 123.** *Action requiring the consent of partners under this*
24 *chapter may be taken without a meeting, and a partner may*
25 *appoint a proxy to consent or otherwise act for the partner by*
26 *signing an appointment record, either personally or by the*
27 *partner's attorney in fact.*

28 **Sec. 124.** *1. In order for a limited partnership to be formed,*
29 *a certificate of limited partnership must be delivered to the*
30 *Secretary of State for filing. The certificate must state:*

31 (i) *The name of the limited partnership;*

32 (ii) *The street and mailing address of the initial designated*
33 *office and the name and street and mailing address of the resident*
34 *agent for service of process;*

35 (iii) *The name and the street and mailing address of each*
36 *general partner; and*

37 (iv) *Any additional information required by sections 178 to 190,*
38 *inclusive, of this act.*

39 **2.** *A certificate of limited partnership may also contain any*
40 *other matters but may not vary or otherwise affect the provisions*
41 *specified in subsection 2 of section 119 of this act in a manner*
42 *inconsistent with that section.*

43 **3.** *If there has been substantial compliance with subsection 1,*
44 *a limited partnership is formed on the later of the filing of the*



1 *certificate of limited partnership or a date specified in the*
2 *certificate of limited partnership.*

3 4. *Subject to subsection 2, if any provision of a partnership*
4 *agreement is inconsistent with the filed certificate of limited*
5 *partnership or with a filed statement of dissociation, termination*
6 *or change or filed articles of conversion or merger:*

7 (a) *The partnership agreement prevails as to partners and*
8 *transferees; and*

9 (b) *The filed certificate of limited partnership, statement of*
10 *dissociation, termination or change or articles of conversion or*
11 *merger prevail as to persons, other than partners and transferees,*
12 *that reasonably rely on the filed record to their detriment.*

13 5. *A certificate of acceptance of appointment of a resident*
14 *agent, signed by the agent, must be filed with the certificate of*
15 *limited partnership.*

16 **Sec. 125.** 1. *In order to amend its certificate of limited*
17 *partnership, a limited partnership must deliver to the Secretary of*
18 *State for filing an amendment or, pursuant to sections 178 to 190,*
19 *inclusive, of this act, articles of merger stating:*

20 (a) *The name of the limited partnership;*

21 (b) *The date of filing of its initial certificate; and*

22 (c) *The changes the amendment makes to the certificate as*
23 *most recently amended or restated.*

24 2. *A limited partnership shall promptly deliver to the*
25 *Secretary of State for filing an amendment to a certificate of*
26 *limited partnership to reflect:*

27 (a) *The admission of a new general partner;*

28 (b) *The dissociation of a person as a general partner; or*

29 (c) *The appointment of a person to wind up the limited*
30 *partnership's activities under subsection 3 or 4 of section 166 of*
31 *this act.*

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

36 (a) *Cause the certificate to be amended; or*

37 (b) *If appropriate, deliver to the Secretary of State for filing a*
38 *certificate of correction pursuant to NRS 88.339.*

39 4. *A certificate of limited partnership may be amended at any*
40 *time for any other proper purpose as determined by the limited*
41 *partnership.*

42 5. *A restated certificate of limited partnership may be*
43 *delivered to the Secretary of State for filing in the same manner as*
44 *an amendment.*



1 6. *An amendment or restated certificate is effective when filed*
2 *by the Secretary of State.*

3 **Sec. 126.** *A dissolved limited partnership that has completed*
4 *winding up may deliver to the Secretary of State for filing a*
5 *statement of termination that states:*

6 1. *The name of the limited partnership;*

7 2. *The date of filing of its initial certificate of limited*
8 *partnership; and*

9 3. *Any other information as determined by the general*
10 *partners filing the statement or by a person appointed pursuant to*
11 *subsection 3 or 4 of section 166 of this act.*

12 **Sec. 127.** 1. *Each record delivered to the Secretary of State*
13 *for filing pursuant to this chapter must be signed in the following*
14 *manner:*

15 (a) *An initial certificate of limited partnership must be signed*
16 *by all general partners listed in the certificate.*

17 (b) *An amendment designating as general partner a person*
18 *admitted under paragraph (b) of subsection 3 of section 164 of this*
19 *act following the dissociation of a limited partnership's last*
20 *general partner must be signed by that person.*

21 (c) *An amendment required by subsection 3 of section 166 of*
22 *this act following the appointment of a person to wind up the*
23 *dissolved limited partnership's activities must be signed by that*
24 *person.*

25 (d) *Any other amendment must be signed by:*

26 (1) *At least one general partner listed in the certificate;*

27 (2) *Each other person designated in the amendment as a*
28 *new general partner; and*

29 (3) *Each person that the amendment indicates has*
30 *dissociated as a general partner, unless:*

31 (I) *The person is deceased or a guardian or general*
32 *conservator has been appointed for the person and the amendment*
33 *so states; or*

34 (II) *The person has previously delivered to the Secretary*
35 *of State for filing a statement of dissociation.*

36 (e) *A restated certificate of limited partnership must be signed*
37 *by at least one general partner listed in the certificate, and, to the*
38 *extent the restated certificate effects a change under any other*
39 *paragraph of this subsection, the certificate must be signed in a*
40 *manner that satisfies that paragraph.*

41 (f) *A statement of termination must be signed by all general*
42 *partners listed in the certificate or, if the certificate of a dissolved*
43 *limited partnership lists no general partners, by the person*
44 *appointed pursuant to subsection 3 or 4 of section 166 of this act*
45 *to wind up the dissolved limited partnership's activities.*



1 (g) Articles of conversion must be signed by each general
2 partner listed in the certificate of limited partnership.

3 (h) Articles of merger must be signed as provided in subsection
4 1 of section 185 of this act.

5 (i) Any other record delivered on behalf of a limited
6 partnership to the Secretary of State for filing must be signed by at
7 least one general partner listed in the certificate.

8 (j) A statement by a person pursuant to paragraph (d) of
9 subsection 1 of section 157 of this act stating that the person has
10 dissociated as a general partner must be signed by that person.

11 (k) A statement of withdrawal by a person pursuant to section
12 135 of this act must be signed by that person.

13 (l) A record delivered on behalf of a foreign limited
14 partnership to the Secretary of State for filing must be signed by at
15 least one general partner of the foreign limited partnership.

16 (m) Any other record delivered on behalf of any person to the
17 Secretary of State for filing must be signed by that person.

18 2. Any person may sign by an attorney-in-fact any record to
19 be filed pursuant to this chapter.

20 **Sec. 128.** 1. If a person required by this chapter to sign a
21 record or deliver a record to the Secretary of State for filing does
22 not do so, any other person that is aggrieved may petition the
23 district court to order:

24 (a) The person to sign the record;

25 (b) Deliver the record to the Secretary of State for filing; or

26 (c) The Secretary of State to file the record unsigned.

27 2. If the person aggrieved under subsection 1 is not the
28 limited partnership or foreign limited partnership to which the
29 record pertains, the aggrieved person shall make the limited
30 partnership or foreign limited partnership a party to the action. A
31 person aggrieved under subsection 1 may seek the remedies
32 provided in subsection 1 in the same action in combination or in
33 the alternative.

34 3. A record filed unsigned pursuant to this section is effective
35 without being signed.

36 **Sec. 129.** 1. If a record delivered to the Secretary of State
37 for filing under this chapter and filed by the Secretary of State
38 contains false information, a person that suffers loss by reliance
39 on the information may recover damages for the loss from:

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

43 (b) A general partner that has notice that the information was
44 false when the record was filed or has become false because of
45 changed circumstances, if the general partner has notice for a



1 *reasonably sufficient time before the information is relied upon to*
2 *enable the general partner to effect an amendment under section*
3 *125 of this act, file a petition pursuant to section 128 of this act or*
4 *deliver to the Secretary of State for filing a certificate of correction*
5 *pursuant to NRS 88.339.*

6 2. *Signing a record authorized or required to be filed under*
7 *this chapter constitutes an affirmation under the penalties of*
8 *perjury that the facts stated in the record are true.*

9 **Sec. 130.** *A person becomes a limited partner:*

10 1. *As provided in the partnership agreement;*

11 2. *As the result of a conversion or merger under sections 178*
12 *to 190, inclusive, of this act; or*

13 3. *With the consent of all the partners.*

14 **Sec. 131.** *A limited partner does not have the right or the*
15 *power as a limited partner to act for or bind the limited*
16 *partnership.*

17 **Sec. 132.** *An obligation of a limited partnership, whether*
18 *arising in contract, tort or otherwise, is not the obligation of a*
19 *limited partner. A limited partner is not personally liable, directly*
20 *or indirectly, by way of contribution or otherwise, for an*
21 *obligation of the limited partnership solely by reason of being a*
22 *limited partner, even if the limited partner participates in the*
23 *management and control of the limited partnership.*

24 **Sec. 133.** 1. *On 10 days' demand, made in a record*
25 *received by the limited partnership, a limited partner may inspect*
26 *and copy required information during regular business hours in*
27 *the limited partnership's designated office. The limited partner*
28 *need not have any particular purpose for seeking the information.*

29 2. *During regular business hours and at a reasonable*
30 *location specified by the limited partnership, a limited partner may*
31 *obtain from the limited partnership and inspect and copy true and*
32 *full information regarding the state of the activities and financial*
33 *condition of the limited partnership and other information*
34 *regarding the activities of the limited partnership as is just and*
35 *reasonable if:*

36 (a) *The limited partner seeks the information for a purpose*
37 *reasonably related to the partner's interest as a limited partner;*

38 (b) *The limited partner makes a demand in a record received*
39 *by the limited partnership, describing with reasonable particularity*
40 *the information sought and the purpose for seeking the*
41 *information; and*

42 (c) *The information sought is directly connected to the limited*
43 *partner's purpose.*



1 3. Within 10 days after receiving a demand pursuant to
2 subsection 2, the limited partnership in a record shall inform the
3 limited partner that made the demand:

4 (a) What information the limited partnership will provide in
5 response to the demand;

6 (b) When and where the limited partnership will provide the
7 information; and

8 (c) If the limited partnership declines to provide any demanded
9 information, the limited partnership's reasons for declining.

10 4. Subject to subsection 6, a person dissociated as a limited
11 partner may inspect and copy required information during regular
12 business hours in the limited partnership's designated office if:

13 (a) The information pertains to the period during which the
14 person was a limited partner;

15 (b) The person seeks the information in good faith; and

16 (c) The person meets the requirements of subsection 2.

17 5. The limited partnership shall respond to a demand made
18 pursuant to subsection 4 in the same manner as provided in
19 subsection 3.

20 6. If a limited partner dies, section 163 of this act applies.

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

26 8. A limited partnership may charge a person that makes a
27 demand under this section reasonable costs of copying, limited to
28 the costs of labor and material.

29 9. Whenever this chapter or a partnership agreement
30 provides for a limited partner to give or withhold consent to a
31 matter, before the consent is given or withheld, the limited
32 partnership shall, without demand, provide the limited partner
33 with all information material to the limited partner's decision that
34 the limited partnership knows.

35 10. A limited partner or person dissociated as a limited
36 partner may exercise the rights under this section through an
37 attorney or other agent. Any restriction imposed under subsection
38 7 or by the partnership agreement applies both to the attorney or
39 other agent and to the limited partner or person dissociated as a
40 limited partner.

41 11. The rights stated in this section do not extend to a person
42 as transferee, but may be exercised by the legal representative of a
43 natural person under legal disability who is a limited partner or
44 person dissociated as a limited partner.



1 **Sec. 134. 1.** *A limited partner does not have any fiduciary*
2 *duty to the limited partnership or to any other partner solely by*
3 *reason of being a limited partner.*

4 **2.** *A limited partner shall discharge the duties to the*
5 *partnership and the other partners under this chapter or under the*
6 *partnership agreement and exercise any rights consistently with*
7 *the obligation of good faith and fair dealing.*

8 **3.** *A limited partner does not violate a duty or obligation*
9 *under this chapter or under the partnership agreement merely*
10 *because the limited partner's conduct furthers the limited*
11 *partner's own interest.*

12 **Sec. 135. 1.** *Except as otherwise provided in subsection 2, a*
13 *person that makes an investment in a business enterprise and*
14 *erroneously but in good faith believes that the person has become*
15 *a limited partner in the enterprise is not liable for the enterprise's*
16 *obligations by reason of making the investment, receiving*
17 *distributions from the enterprise or exercising any rights of or*
18 *appropriate to a limited partner if, on ascertaining the mistake, the*
19 *person:*

20 **(a)** *Causes an appropriate certificate of limited partnership,*
21 *amendment or certificate of correction to be signed and delivered*
22 *to the Secretary of State for filing; or*

23 **(b)** *Withdraws from future participation as an owner in the*
24 *enterprise by signing and delivering to the Secretary of State for*
25 *filing a statement of withdrawal under this section.*

26 **2.** *A person that makes an investment described in subsection*
27 *1 is liable to the same extent as a general partner to any third*
28 *party that enters into a transaction with the enterprise, believing in*
29 *good faith that the person is a general partner, before the*
30 *Secretary of State files a statement of withdrawal, certificate of*
31 *limited partnership, amendment or certificate of correction to*
32 *show that the person is not a general partner.*

33 **3.** *If a person makes a diligent effort in good faith to comply*
34 *with paragraph (a) of subsection 1 and is unable to cause the*
35 *appropriate certificate of limited partnership, amendment or*
36 *certificate of correction to be signed and delivered to the Secretary*
37 *of State for filing, the person has the right to withdraw from the*
38 *enterprise pursuant to paragraph (b) of subsection 1 even if the*
39 *withdrawal would otherwise breach an agreement with others that*
40 *are or have agreed to become co-owners of the enterprise.*

41 **Sec. 136.** *A person becomes a general partner:*

42 **1.** *As provided in the partnership agreement;*

43 **2.** *Under paragraph (b) of subsection 3 of section 164 of this*
44 *act following the dissociation of a limited partnership's last*
45 *general partner;*



1 3. *As the result of a conversion or merger under sections 178*
2 *to 190, inclusive, of this act; or*

3 4. *With the consent of all the partners.*

4 **Sec. 137.** 1. *Each general partner is an agent of the limited*
5 *partnership for the purposes of its activities. An act of a general*
6 *partner, including the signing of a record in the partnership's*
7 *name, for apparently carrying on in the ordinary course the*
8 *limited partnership's activities or activities of the kind carried on*
9 *by the limited partnership binds the limited partnership, unless the*
10 *general partner did not have authority to act for the limited*
11 *partnership in the particular matter and the person with which the*
12 *general partner was dealing knew, had received a notification or*
13 *had notice under subsection 4 of section 114 of this act that the*
14 *general partner lacked authority.*

15 2. *An act of a general partner which is not apparently for*
16 *carrying on in the ordinary course the limited partnership's*
17 *activities or activities of the kind carried on by the limited*
18 *partnership binds the limited partnership only if the act was*
19 *actually authorized by all the other partners.*

20 **Sec. 138.** 1. *A limited partnership is liable for loss or injury*
21 *caused to a person, or for a penalty incurred, as a result of a*
22 *wrongful act or omission, or other actionable conduct, of a*
23 *general partner acting in the ordinary course of activities of the*
24 *limited partnership or with authority of the limited partnership.*

25 2. *If, in the course of the limited partnership's activities or*
26 *while acting with authority of the limited partnership, a general*
27 *partner receives or causes the limited partnership to receive money*
28 *or property of a person not a partner, and the money or property is*
29 *misapplied by a general partner, the limited partnership is liable*
30 *for the loss.*

31 **Sec. 139.** 1. *Except as otherwise provided in subsections 2*
32 *and 3, all general partners are liable jointly and severally for all*
33 *obligations of the limited partnership unless otherwise agreed by*
34 *the claimant or provided by law.*

35 2. *A person that becomes a general partner of an existing*
36 *limited partnership is not personally liable for an obligation of a*
37 *limited partnership incurred before the person became a general*
38 *partner.*

39 3. *An obligation of a limited partnership incurred while the*
40 *limited partnership is a registered limited-liability limited*
41 *partnership, whether arising in contract, tort or otherwise, is solely*
42 *the obligation of the limited partnership. A general partner is not*
43 *personally liable, directly or indirectly, by way of contribution or*
44 *otherwise, for such an obligation solely by reason of being or*
45 *acting as a general partner. This subsection applies despite*



1 *anything inconsistent in the partnership agreement that existed*
2 *immediately before the consent required to become a registered*
3 *limited-liability limited partnership under paragraph (b) of*
4 *subsection 2 of section 141 of this act.*

5 **Sec. 140.** 1. *To the extent not inconsistent with section 139*
6 *of this act, a general partner may be joined in an action against*
7 *the limited partnership or named in a separate action.*

8 2. *A judgment against a limited partnership is not by itself a*
9 *judgment against a general partner. A judgment against a limited*
10 *partnership may not be satisfied from a general partner's assets*
11 *unless there is also a judgment against the general partner.*

12 3. *A judgment creditor of a general partner may not levy*
13 *execution against the assets of the general partner to satisfy a*
14 *judgment based on a claim against the limited partnership, unless*
15 *the partner is personally liable for the claim under section 139 of*
16 *this act and:*

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

20 (b) *The limited partnership is a debtor in bankruptcy;*

21 (c) *The general partner has agreed that the creditor need not*
22 *exhaust limited partnership assets;*

23 (d) *A court grants permission to the judgment creditor to levy*
24 *execution against the assets of a general partner based on a*
25 *finding that limited partnership assets subject to execution are*
26 *clearly insufficient to satisfy the judgment, that exhaustion of*
27 *limited partnership assets is excessively burdensome or that the*
28 *grant of permission is an appropriate exercise of the court's*
29 *equitable powers; or*

30 (e) *Liability is imposed on the general partner by law or*
31 *contract independent of the existence of the limited partnership.*

32 **Sec. 141.** 1. *Each general partner has equal rights in the*
33 *management and conduct of the limited partnership's activities.*
34 *Except as expressly provided in this chapter, any matter relating to*
35 *the activities of the limited partnership may be exclusively decided*
36 *by the general partner or, if there is more than one general*
37 *partner, by a majority of the general partners.*

38 2. *The consent of each partner is necessary to:*

39 (a) *Amend the partnership agreement;*

40 (b) *Register a limited partnership as a registered limited-*
41 *liability limited partnership pursuant to NRS 88.606 or to*
42 *withdraw its registration as a registered limited-liability limited*
43 *partnership; and*

44 (c) *Sell, lease, exchange or otherwise dispose of all, or*
45 *substantially all, of the limited partnership's property, with or*



1 *without the good will, other than in the usual and regular course*
2 *of the limited partnership's activities.*

3 3. *A limited partnership shall reimburse a general partner for*
4 *payments made and indemnify a general partner for liabilities*
5 *incurred by the general partner in the ordinary course of the*
6 *activities of the partnership or for the preservation of its activities*
7 *or property.*

8 4. *A limited partnership shall reimburse a general partner for*
9 *an advance to the limited partnership beyond the amount of*
10 *capital the general partner agreed to contribute.*

11 5. *A payment or advance made by a general partner which*
12 *gives rise to an obligation of the limited partnership under*
13 *subsection 3 or 4 constitutes a loan to the limited partnership*
14 *which accrues interest from the date of the payment or advance.*

15 6. *A general partner is not entitled to remuneration for*
16 *services performed for the partnership.*

17 **Sec. 142.** 1. *A general partner, without having any*
18 *particular purpose for seeking the information, may inspect and*
19 *copy during regular business hours:*

20 (a) *In the limited partnership's designated office, required*
21 *information; and*

22 (b) *At a reasonable location specified by the limited*
23 *partnership, any other records maintained by the limited*
24 *partnership regarding the limited partnership's activities and*
25 *financial condition.*

26 2. *Each general partner and the limited partnership shall*
27 *furnish to a general partner:*

28 (a) *Without demand, any information concerning the limited*
29 *partnership's activities and activities reasonably required for the*
30 *proper exercise of the general partner's rights and duties under*
31 *the partnership agreement or this chapter; and*

32 (b) *On demand, any other information concerning the limited*
33 *partnership's activities, except to the extent the demand or the*
34 *information demanded is unreasonable or otherwise improper*
35 *under the circumstances.*

36 3. *Subject to subsection 5, on 10 days' demand made in a*
37 *record received by the limited partnership, a person dissociated as*
38 *a general partner may have access to the information and records*
39 *described in subsection 1 at the location specified in subsection 1*
40 *if:*

41 (a) *The information or record pertains to the period during*
42 *which the person was a general partner;*

43 (b) *The person seeks the information or record in good faith;*
44 *and*



1 (c) *The person satisfies the requirements imposed on a limited*
2 *partner by subsection 2 of section 133 of this act.*

3 4. *The limited partnership shall respond to a demand made*
4 *pursuant to subsection 3 in the same manner as provided in*
5 *subsection 3 of section 133 of this act.*

6 5. *If a general partner dies, section 163 of this act applies.*

7 6. *The limited partnership may impose reasonable restrictions*
8 *on the use of information under this section. In any dispute*
9 *concerning the reasonableness of a restriction under this*
10 *subsection, the limited partnership has the burden of proving*
11 *reasonableness.*

12 7. *A limited partnership may charge a person dissociated as a*
13 *general partner that makes a demand under this section*
14 *reasonable costs of copying, limited to the costs of labor and*
15 *material.*

16 8. *A general partner or person dissociated as a general*
17 *partner may exercise the rights under this section through an*
18 *attorney or other agent. Any restriction imposed under subsection*
19 *6 or by the partnership agreement applies both to the attorney or*
20 *other agent and to the general partner or person dissociated as a*
21 *general partner.*

22 9. *The rights under this section do not extend to a person as*
23 *transferee, but the rights under subsection 3 of a person*
24 *dissociated as a general partner may be exercised by the legal*
25 *representative of a natural person who dissociated as a general*
26 *partner under paragraph (b) or (c) of subsection 7 of section 155*
27 *of this act.*

28 **Sec. 143.** 1. *The only fiduciary duties that a general*
29 *partner has to the limited partnership and the other partners are*
30 *the duties of loyalty and care under subsections 2 and 3.*

31 2. *A general partner's duty of loyalty to the limited*
32 *partnership and the other partners is limited to the following:*

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

39 (b) *To refrain from dealing with the limited partnership in the*
40 *conduct or winding up of the limited partnership's activities as or*
41 *on behalf of a party having an interest adverse to the limited*
42 *partnership; and*

43 (c) *To refrain from competing with the limited partnership in*
44 *the conduct or winding up of the limited partnership's activities.*



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

6 4. A general partner shall discharge the duties to the
7 partnership and the other partners under this chapter or under the
8 partnership agreement and exercise any rights consistently with
9 the obligation of good faith and fair dealing.

10 5. A general partner does not violate a duty or obligation
11 under this chapter or under the partnership agreement merely
12 because the general partner's conduct furthers the general
13 partner's own interest.

14 **Sec. 144.** A contribution of a partner may consist of tangible
15 or intangible property or other benefit to the limited partnership,
16 including money, services performed, promissory notes, other
17 agreements to contribute cash or property, and contracts for
18 services to be performed.

19 **Sec. 145.** 1. A partner's obligation to contribute money or
20 other property or other benefit to, or to perform services for, a
21 limited partnership is not excused by the partner's death, disability
22 or other inability to perform personally.

23 2. If a partner does not make a promised non-monetary
24 contribution, the partner is obligated at the option of the limited
25 partnership to contribute money equal to that portion of the value,
26 as stated in the required information, of the stated contribution
27 which has not been made.

28 3. The obligation of a partner to make a contribution or
29 return money or other property paid or distributed in violation of
30 this chapter may be compromised only by consent of all partners.
31 A creditor of a limited partnership which extends credit or
32 otherwise acts in reliance on an obligation described in subsection
33 1, without notice of any compromise under this subsection, may
34 enforce the original obligation.

35 **Sec. 146.** A distribution by a limited partnership must be
36 shared among the partners on the basis of the value, as stated in
37 the required records when the limited partnership decides to make
38 the distribution, of the contributions the limited partnership has
39 received from each partner.

40 **Sec. 147.** A partner does not have a right to any distribution
41 before the dissolution and winding up of the limited partnership
42 unless the limited partnership decides to make an interim
43 distribution.

44 **Sec. 148.** A person does not have a right to receive a
45 distribution on account of dissociation.



1 **Sec. 149.** *A partner does not have a right to demand or*
2 *receive any distribution from a limited partnership in any form*
3 *other than cash. Subject to subsection 2 of section 172 of this act,*
4 *a limited partnership may distribute an asset in kind to the extent*
5 *each partner receives a percentage of the asset equal to the*
6 *partner's share of distributions.*

7 **Sec. 150.** *When a partner or transferee becomes entitled to*
8 *receive a distribution, the partner or transferee has the status of,*
9 *and is entitled to all remedies available to, a creditor of the limited*
10 *partnership with respect to the distribution. However, the limited*
11 *partnership's obligation to make a distribution is subject to offset*
12 *for any amount owed to the limited partnership by the partner or*
13 *dissociated partner on whose account the distribution is made.*

14 **Sec. 151. 1.** *A limited partnership may not make a*
15 *distribution in violation of the partnership agreement.*

16 **2.** *A limited partnership may not make a distribution if after*
17 *the distribution:*

18 **(a)** *The limited partnership would not be able to pay its debts*
19 *as they become due in the ordinary course of the limited*
20 *partnership's activities; or*

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

28 **3.** *A limited partnership may base a determination that a*
29 *distribution is not prohibited under subsection 2 on financial*
30 *statements prepared on the basis of accounting practices and*
31 *principles that are reasonable in the circumstances or on a fair*
32 *valuation or other method that is reasonable in the circumstances.*

33 **4.** *Except as otherwise provided in subsection 7, the effect of*
34 *a distribution under subsection 2 is measured:*

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

39 **(b)** *In all other cases, as of the date:*

40 **(1)** *The distribution is authorized, if the payment occurs*
41 *within 120 days after that date; or*

42 **(2)** *The payment is made, if payment occurs more than 120*
43 *days after the distribution is authorized.*

44 **5.** *A limited partnership's indebtedness to a partner incurred*
45 *by reason of a distribution made in accordance with this section is*



1 *at parity with the limited partnership's indebtedness to its general*
2 *partner, unsecured creditors.*

3 6. A limited partnership's indebtedness, including
4 indebtedness issued in connection with or as part of a distribution,
5 is not considered a liability for purposes of subsection 2 if the
6 terms of the indebtedness provide that payment of principal and
7 interest are made only to the extent that a distribution could then
8 be made to partners under this section.

9 7. If indebtedness is issued as a distribution, each payment of
10 principal or interest on the indebtedness is treated as a
11 distribution, the effect of which is measured on the date the
12 payment is made.

13 **Sec. 152.** 1. A general partner that consents to a
14 distribution made in violation of section 151 of this act is
15 personally liable to the limited partnership for the amount of the
16 distribution which exceeds the amount that could have been
17 distributed without the violation if it is established that in
18 consenting to the distribution the general partner failed to comply
19 with section 143 of this act.

20 2. A partner or transferee that received a distribution
21 knowing that the distribution to that partner or transferee was
22 made in violation of section 151 of this act is personally liable to
23 the limited partnership but only to the extent that the distribution
24 received by the partner or transferee exceeded the amount that
25 could have been properly paid under section 151 of this act.

26 3. A general partner against which an action is commenced
27 under subsection 1 may:

28 (a) Implead in the action any other person that is liable under
29 subsection 1 and compel contribution from the person; and

30 (b) Implead in the action any person that received a
31 distribution in violation of subsection 2 and compel contribution
32 from the person in the amount the person received in violation of
33 subsection 2.

34 4. An action under this section is barred if it is not
35 commenced within 2 years after the distribution.

36 **Sec. 153.** 1. A person does not have a right to dissociate as
37 a limited partner before the termination of the limited partnership.

38 2. A person is dissociated from a limited partnership as a
39 limited partner upon the occurrence of any of the following
40 events:

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

44 (b) An event agreed to in the partnership agreement as causing
45 the person's dissociation as a limited partner;



1 (c) *The person's expulsion as a limited partner pursuant to the*
2 *partnership agreement;*

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

5 (1) *It is unlawful to carry on the limited partnership's*
6 *activities with the person as a limited partner;*

7 (2) *There has been a transfer of all of the person's*
8 *transferable interest in the limited partnership, other than a*
9 *transfer for security purposes, or a court order charging the*
10 *person's interest, which has not been foreclosed;*

11 (3) *The person is a corporation and, within 90 days after*
12 *the limited partnership notifies the person that it will be expelled*
13 *as a limited partner because it has filed a certificate of dissolution*
14 *or the equivalent, its charter has been revoked or its right to*
15 *conduct business has been suspended by the jurisdiction of its*
16 *incorporation, there is no revocation of the certificate of*
17 *dissolution or no reinstatement of its charter or its right to conduct*
18 *business; or*

19 (4) *The person is a limited-liability company or partnership*
20 *that has been dissolved and whose business is being wound up;*

21 (e) *On application by the limited partnership, the person's*
22 *expulsion as a limited partner by judicial order because:*

23 (1) *The person engaged in wrongful conduct that adversely*
24 *and materially affected the limited partnership's activities;*

25 (2) *The person willfully or persistently committed a*
26 *material breach of the partnership agreement or of the obligation*
27 *of good faith and fair dealing under subsection 2 of section 134 of*
28 *this act; or*

29 (3) *The person engaged in conduct relating to the limited*
30 *partnership's activities which makes it not reasonably practicable*
31 *to carry on the activities with the person as limited partner;*

32 (f) *In the case of a person who is a natural person, the*
33 *person's death;*

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

38 (h) *In the case of a person that is an estate or is acting as a*
39 *limited partner by virtue of being a personal representative of an*
40 *estate, distribution of the estate's entire transferable interest in the*
41 *limited partnership, but not merely by reason of the substitution of*
42 *a successor personal representative;*

43 (i) *Termination of a limited partner that is not a natural*
44 *person, partnership, limited-liability company, corporation, trust*
45 *or estate; or*



1 (j) *The limited partnership's participation in a conversion or*
2 *merger under sections 178 to 190, inclusive, of this act, if the*
3 *limited partnership:*

4 (1) *Is not the converted or surviving entity; or*

5 (2) *Is the converted or surviving entity but, as a result of the*
6 *conversion or merger, the person ceases to be a limited partner.*

7 **Sec. 154.** *1. Upon a person's dissociation as a limited*
8 *partner:*

9 (a) *Subject to section 163 of this act, the person does not have*
10 *further rights as a limited partner;*

11 (b) *The person's obligation of good faith and fair dealing as a*
12 *limited partner under subsection 2 of section 134 of this act*
13 *continues only as to matters arising and events occurring before*
14 *the dissociation; and*

15 (c) *Subject to sections 163 and 178 to 190, inclusive, of this*
16 *act, any transferable interest owned by the person in the person's*
17 *capacity as a limited partner immediately before dissociation is*
18 *owned by the person as a mere transferee.*

19 2. *A person's dissociation as a limited partner does not of*
20 *itself discharge the person from any obligation to the limited*
21 *partnership or the other partners which the person incurred while*
22 *a limited partner.*

23 **Sec. 155.** *A person is dissociated from a limited partnership*
24 *as a general partner upon the occurrence of any of the following*
25 *events:*

26 1. *The limited partnership's having notice of the person's*
27 *express will to withdraw as a general partner or on a later date*
28 *specified by the person;*

29 2. *An event agreed to in the partnership agreement as*
30 *causing the person's dissociation as a general partner;*

31 3. *The person's expulsion as a general partner pursuant to*
32 *the partnership agreement;*

33 4. *The person's expulsion as a general partner by the*
34 *unanimous consent of the other partners if:*

35 (a) *It is unlawful to carry on the limited partnership's activities*
36 *with the person as a general partner;*

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

41 (c) *The person is a corporation and, within 90 days after the*
42 *limited partnership notifies the person that it will be expelled as a*
43 *general partner because it has filed a certificate of dissolution or*
44 *the equivalent, its charter has been revoked or its right to conduct*
45 *business has been suspended by the jurisdiction of its*



1 *incorporation, there is no revocation of the certificate of*
2 *dissolution or no reinstatement of its charter or its right to conduct*
3 *business; or*

4 *(d) The person is a limited-liability company or partnership*
5 *that has been dissolved and whose business is being wound up;*

6 *5. On application by the limited partnership, the person's*
7 *expulsion as a general partner by judicial determination because:*

8 *(a) The person engaged in wrongful conduct that adversely*
9 *and materially affected the limited partnership activities;*

10 *(b) The person willfully or persistently committed a material*
11 *breach of the partnership agreement or of a duty owed to the*
12 *partnership or the other partners under section 143 of this act; or*

13 *(c) The person engaged in conduct relating to the limited*
14 *partnership's activities which makes it not reasonably practicable*
15 *to carry on the activities of the limited partnership with the person*
16 *as a general partner;*

17 *6. The person's:*

18 *(a) Becoming a debtor in bankruptcy;*

19 *(b) Execution of an assignment for the benefit of creditors;*

20 *(c) Seeking, consenting to or acquiescing in the appointment*
21 *of a trustee, receiver or liquidator of the person or of all or*
22 *substantially all of the person's property; or*

23 *(d) Failure, within 90 days after the appointment, to have*
24 *vacated or stayed the appointment of a trustee, receiver or*
25 *liquidator of the general partner or of all or substantially all of the*
26 *person's property obtained without the person's consent or*
27 *acquiescence, or failing within 90 days after the expiration of a*
28 *stay to have the appointment vacated;*

29 *7. In the case of a person who is a natural person:*

30 *(a) The person's death;*

31 *(b) The appointment of a guardian or general conservator for*
32 *the person; or*

33 *(c) A judicial determination that the person has otherwise*
34 *become incapable of performing the person's duties as a general*
35 *partner under the partnership agreement;*

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

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



1 **10. Termination of a general partner that is not a natural**
2 **person, partnership, limited-liability company, corporation, trust**
3 **or estate; or**

4 **11. The limited partnership's participation in a conversion or**
5 **merger under sections 178 to 190, inclusive, of this act, if the**
6 **limited partnership:**

7 **(a) Is not the converted or surviving entity; or**

8 **(b) Is the converted or surviving entity but, as a result of the**
9 **conversion or merger, the person ceases to be a general partner.**

10 **Sec. 156. 1. A person has the power to dissociate as a**
11 **general partner at any time, rightfully or wrongfully, by express**
12 **will pursuant to subsection 1 of section 155 of this act.**

13 **2. A person's dissociation as a general partner is wrongful**
14 **only if:**

15 **(a) It is in breach of an express provision of the partnership**
16 **agreement; or**

17 **(b) It occurs before the termination of the limited partnership,**
18 **and:**

19 **(1) The person withdraws as a general partner by express**
20 **will;**

21 **(2) The person is expelled as a general partner by judicial**
22 **determination under subsection 5 of section 155 of this act;**

23 **(3) The person is dissociated as a general partner by**
24 **becoming a debtor in bankruptcy; or**

25 **(4) In the case of a person that is not a natural person, a**
26 **trust other than a business trust or an estate, the person is expelled**
27 **or otherwise dissociated as a general partner because it willfully**
28 **dissolved or terminated.**

29 **3. A person that wrongfully dissociates as a general partner is**
30 **liable to the limited partnership and, subject to section 173 of this**
31 **act, to the other partners for damages caused by the dissociation.**
32 **The liability is in addition to any other obligation of the general**
33 **partner to the limited partnership or to the other partners.**

34 **Sec. 157. 1. Upon a person's dissociation as a general**
35 **partner:**

36 **(a) The person's right to participate as a general partner in the**
37 **management and conduct of the partnership's activities**
38 **terminates;**

39 **(b) The person's duty of loyalty as a general partner under**
40 **paragraph (c) of subsection 2 of section 143 of this act terminates;**

41 **(c) The person's duty of loyalty as a general partner under**
42 **paragraphs (a) and (b) of subsection 2 of section 143 of this act**
43 **and duty of care under subsection 3 of section 143 of this act**
44 **continue only with regard to matters arising and events occurring**
45 **before the person's dissociation as a general partner;**



(d) *The person may sign and deliver to the Secretary of State for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated; and*

(e) *Subject to sections 163 and 178 to 190, inclusive, of this act, any transferable interest owned by the person immediately before dissociation in the person's capacity as a general partner is owned by the person as a mere transferee.*

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

Sec. 158. 1. *After a person is dissociated as a general partner and before the limited partnership is dissolved, converted under sections 178 to 190, inclusive, of this act, or merged out of existence under sections 178 to 190, inclusive, of this act, the limited partnership is bound by an act of the person only if:*

(a) *The act would have bound the limited partnership under section 137 of this act before the dissociation; and*

(b) *At the time the other party enters into the transaction:*

(1) *Less than 2 years has passed since the dissociation; and*

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

2. *If a limited partnership is bound under subsection 1, the person dissociated as a general partner which caused the limited partnership to be bound is liable:*

(a) *To the limited partnership for any damage caused to the limited partnership arising from the obligation incurred under subsection 1; and*

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

Sec. 159. 1. *A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for an obligation of the limited partnership incurred before dissociation. Except as otherwise provided in subsections 2 and 3, the person is not liable for a limited partnership's obligation incurred after dissociation.*

2. *A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities is liable to the same extent as a general partner under section 139 of this act on an obligation incurred by the limited partnership under section 167 of this act.*



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

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

7 (b) At the time the other party enters into the transaction:

8 (1) Less than 2 years has passed since the dissociation; and

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

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

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

21 **Sec. 160.** The only interest of a partner which is transferable
22 is the partner's transferable interest. A transferable interest is
23 personal property.

24 **Sec. 161. 1.** A transfer, in whole or in part, of a partner's
25 transferable interest:

26 (a) Is permissible;

27 (b) Does not by itself cause the partner's dissociation or a
28 dissolution and winding up of the limited partnership's activities;
29 and

30 (c) Does not, as against the other partners or the limited
31 partnership, entitle the transferee to participate in the
32 management or conduct of the limited partnership's activities, to
33 require access to information concerning the limited partnership's
34 transactions except as otherwise provided in subsection 3, or to
35 inspect or copy the required information or the limited
36 partnership's other records.

37 2. A transferee has a right to receive, in accordance with the
38 transfer:

39 (a) Distributions to which the transferor would otherwise be
40 entitled; and

41 (b) Upon the dissolution and winding up of the limited
42 partnership's activities the net amount otherwise distributable to
43 the transferor.



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

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

7 5. *A limited partnership need not give effect to a transferee's*
8 *rights under this section until the limited partnership has notice of*
9 *the transfer.*

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

14 7. *A transferee that becomes a partner with respect to a*
15 *transferable interest is liable for the transferor's obligations under*
16 *sections 145 and 152 of this act. However, the transferee is not*
17 *obligated for liabilities unknown to the transferee at the time the*
18 *transferee became a partner.*

19 **Sec. 162.** 1. *On application to a court of competent*
20 *jurisdiction by any judgment creditor of a partner or transferee,*
21 *the court may charge the transferable interest of the judgment*
22 *debtor with payment of the unsatisfied amount of the judgment*
23 *with interest. To the extent so charged, the judgment creditor has*
24 *only the rights of a transferee. The court may appoint a receiver of*
25 *the share of the distributions due or to become due to the*
26 *judgment debtor in respect of the partnership and make all other*
27 *orders, directions, accounts and inquiries the judgment debtor*
28 *might have made or which the circumstances of the case may*
29 *require to give effect to the charging order.*

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

34 3. *At any time before foreclosure, an interest charged may be*
35 *redeemed:*

36 (a) *By the judgment debtor;*

37 (b) *With property other than limited partnership property, by*
38 *one or more of the other partners; or*

39 (c) *With limited partnership property, by the limited*
40 *partnership with the consent of all partners whose interests are not*
41 *so charged.*

42 4. *This chapter does not deprive any partner or transferee of*
43 *the benefit of any exemption laws applicable to the partner's or*
44 *transferee's transferable interest.*



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

4 **Sec. 163.** If a partner dies, the deceased partner's personal
5 representative or other legal representative may exercise the rights
6 of a transferee as provided in section 161 of this act and, for the
7 purposes of settling the estate, may exercise the rights of a current
8 limited partner under section 133 of this act.

9 **Sec. 164.** Except as otherwise provided in section 165 of this
10 act, a limited partnership is dissolved, and its activities must be
11 wound up, only upon the occurrence of any of the following:

12 1. The happening of an event specified in the partnership
13 agreement;

14 2. The consent of all general partners and of limited partners
15 owning a majority of the rights to receive distributions as limited
16 partners at the time the consent is to be effective;

17 3. After the dissociation of a person as a general partner:

18 (a) If the limited partnership has at least one remaining
19 general partner, the consent to dissolve the limited partnership
20 given within 90 days after the dissociation by partners owning a
21 majority of the rights to receive distributions as partners at the
22 time the consent is to be effective; or

23 (b) If the limited partnership does not have a remaining
24 general partner, the passage of 90 days after the dissociation,
25 unless before the end of the period:

26 (1) Consent to continue the activities of the limited
27 partnership and admit at least one general partner is given by
28 limited partners owning a majority of the rights to receive
29 distributions as limited partners at the time the consent is to be
30 effective; and

31 (2) At least one person is admitted as a general partner in
32 accordance with the consent; or

33 4. The passage of 90 days after the dissociation of the limited
34 partnership's last limited partner, unless before the end of the
35 period the limited partnership admits at least one limited partner.

36 **Sec. 165.** On application by a partner the district court may
37 order dissolution of a limited partnership if it is not reasonably
38 practicable to carry on the activities of the limited partnership in
39 conformity with the partnership agreement.

40 **Sec. 166.** 1. A limited partnership continues after
41 dissolution only for the purpose of winding up its activities.

42 2. In winding up its activities, the limited partnership:

43 (a) May amend its certificate of limited partnership to state
44 that the limited partnership is dissolved, preserve the limited
45 partnership business or property as a going concern for a



1 *reasonable time, prosecute and defend actions and proceedings,*
2 *whether civil, criminal or administrative, transfer the limited*
3 *partnership's property, settle disputes by mediation or arbitration,*
4 *file a statement of termination as provided in section 126 of this*
5 *act and perform other necessary acts; and*

6 *(b) Shall discharge the limited partnership's liabilities, settle*
7 *and close the limited partnership's activities and marshal and*
8 *distribute the assets of the partnership.*

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

15 *(a) Has the powers of a general partner under section 167 of*
16 *this act; and*

17 *(b) Shall promptly amend the certificate of limited partnership*
18 *to state:*

19 *(1) That the limited partnership does not have a general*
20 *partner;*

21 *(2) The name of the person that has been appointed to wind*
22 *up the limited partnership; and*

23 *(3) The street and mailing address of the person.*

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

28 *(a) A limited partnership does not have a general partner and*
29 *within a reasonable time following the dissolution no person has*
30 *been appointed pursuant to subsection 3; or*

31 *(b) The applicant establishes other good cause.*

32 **Sec. 167. 1. A limited partnership is bound by a general**
33 **partner's act after dissolution which:**

34 *(a) Is appropriate for winding up the limited partnership's*
35 *activities; or*

36 *(b) Would have bound the limited partnership under section*
37 *137 of this act before dissolution, if, at the time the other party*
38 *enters into the transaction, the other party does not have notice of*
39 *the dissolution.*

40 2. *A person dissociated as a general partner binds a limited*
41 *partnership through an act occurring after dissolution if:*

42 *(a) At the time the other party enters into the transaction:*

43 *(1) Less than 2 years has passed since the dissociation; and*

44 *(2) The other party does not have notice of the dissociation*
45 *and reasonably believes that the person is a general partner; and*



(b) The act:

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

(2) Would have bound the limited partnership under section 137 of this act before dissolution and at the time the other party enters into the transaction the other party does not have notice of the dissolution.

Sec. 168. *1. If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under subsection 1 of section 167 of this act by an act that is not appropriate for winding up the partnership's activities, the general partner is liable:*

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

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

2. If a person dissociated as a general partner causes a limited partnership to incur an obligation under subsection 2 of section 167 of this act, the person is liable:

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

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

Sec. 169. *1. A dissolved limited partnership may dispose of the known claims against it by following the procedure described in subsection 2.*

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

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

(b) Provide a mailing address to which the claim is to be sent;

(c) State the deadline for receipt of the claim, which may not be less than 120 days after the date the notice is received by the claimant;

(d) State that the claim will be barred if not received by the deadline; and

(e) Unless the limited partnership has been throughout its existence a registered limited-liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on section 139 of this act.



1 3. A claim against a dissolved limited partnership is barred if
2 the requirements of subsection 2 are met and:

3 (a) The claim is not received by the specified deadline; or

4 (b) In the case of a claim that is timely received but rejected by
5 the dissolved limited partnership, the claimant does not commence
6 an action to enforce the claim against the limited partnership
7 within 90 days after the receipt of the notice of the rejection.

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

11 **Sec. 170.** 1. A dissolved limited partnership may publish
12 notice of its dissolution and request persons having claims against
13 the limited partnership to present them in accordance with the
14 notice.

15 2. The notice must:

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

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

24 (c) State that a claim against the limited partnership is barred
25 unless an action to enforce the claim is commenced within 5 years
26 after publication of the notice; and

27 (d) Unless the limited partnership has been throughout its
28 existence a registered limited-liability limited partnership, state
29 that the barring of a claim against the limited partnership will also
30 bar any corresponding claim against any general partner or
31 person dissociated as a general partner which is based on section
32 139 of this act.

33 3. If a dissolved limited partnership publishes a notice in
34 accordance with subsection 2, the claim of each of the following
35 claimants is barred unless the claimant commences an action to
36 enforce the claim against the dissolved limited partnership within
37 5 years after the publication date of the notice:

38 (a) A claimant that did not receive notice in a record under
39 section 169 of this act;

40 (b) A claimant whose claim was timely sent to the dissolved
41 limited partnership but not acted on; and

42 (c) A claimant whose claim is contingent or based on an event
43 occurring after the effective date of dissolution.

44 4. A claim not barred under this section may be enforced:



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

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

10 (c) *Against any person liable on the claim under section 139 of*
11 *this act.*

12 **Sec. 171.** *If a claim against a dissolved limited partnership is*
13 *barred under section 169 or 170 of this act, any corresponding*
14 *claim under section 139 of this act is also barred.*

15 **Sec. 172.** 1. *In winding up a limited partnership's*
16 *activities, the assets of the limited partnership, including the*
17 *contributions required by this section, must be applied to satisfy*
18 *the limited partnership's obligations to creditors, including, to the*
19 *extent permitted by law, partners that are creditors.*

20 2. *Any surplus remaining after the limited partnership*
21 *complies with subsection 1 must be paid in cash as a distribution.*

22 3. *If a limited partnership's assets are insufficient to satisfy*
23 *all of its obligations under subsection 1, with respect to each*
24 *unsatisfied obligation incurred when the limited partnership was*
25 *not a limited-liability limited partnership, the following rules*
26 *apply:*

27 (a) *Each person that was a general partner when the*
28 *obligation was incurred and that has not been released from*
29 *the obligation under section 159 of this act shall contribute to the*
30 *limited partnership for the purpose of enabling the limited*
31 *partnership to satisfy the obligation. The contribution due from*
32 *each of those persons is in proportion to the right to receive*
33 *distributions in the capacity of general partner in effect for each*
34 *of those persons when the obligation was incurred.*

35 (b) *If a person does not contribute the full amount required*
36 *under paragraph (a) with respect to an unsatisfied obligation of*
37 *the limited partnership, the other persons required to contribute by*
38 *paragraph (a) on account of the obligation shall contribute the*
39 *additional amount necessary to discharge the obligation. The*
40 *additional contribution due from each of those other persons is in*
41 *proportion to the right to receive distributions in the capacity of*
42 *general partner in effect for each of those other persons when the*
43 *obligation was incurred.*

44 (c) *If a person does not make the additional contribution*
45 *required by paragraph (b), further additional contributions are*



1 *determined and due in the same manner as provided in that*
2 *paragraph.*

3 *4. A person that makes an additional contribution under*
4 *paragraph (b) or (c) of subsection 3 may recover from any person*
5 *whose failure to contribute under paragraph (a) or (b) of*
6 *subsection 3 necessitated the additional contribution. A person*
7 *may not recover under this subsection more than the amount*
8 *additionally contributed. A person's liability under this subsection*
9 *may not exceed the amount the person failed to contribute.*

10 *5. The estate of a deceased natural person is liable for the*
11 *person's obligations under this section.*

12 *6. An assignee for the benefit of creditors of a limited*
13 *partnership or a partner, or a person appointed by a court to*
14 *represent creditors of a limited partnership or a partner, may*
15 *enforce a person's obligation to contribute under subsection 3.*

16 **Sec. 173.** *1. Subject to subsection 2, a partner may*
17 *maintain a direct action against the limited partnership or another*
18 *partner for legal or equitable relief, with or without an accounting*
19 *as to the partnership's activities, to enforce the rights and*
20 *otherwise protect the interests of the partner, including rights and*
21 *interests under the partnership agreement or this chapter or*
22 *arising independently of the partnership relationship.*

23 *2. A partner commencing a direct action under this section is*
24 *required to plead and prove an actual or threatened injury that is*
25 *not solely the result of an injury suffered or threatened to be*
26 *suffered by the limited partnership.*

27 *3. The accrual of, and any time limitation on, a right of*
28 *action for a remedy under this section is governed by other law. A*
29 *right to an accounting upon a dissolution and winding up does not*
30 *revive a claim barred by law.*

31 **Sec. 174.** *A partner may maintain a derivative action to*
32 *enforce a right of a limited partnership if:*

33 *1. The partner first makes a demand on the general partners,*
34 *requesting that they cause the limited partnership to bring an*
35 *action to enforce the right, and the general partners do not bring*
36 *the action within a reasonable time; or*

37 *2. A demand would be futile.*

38 **Sec. 175.** *A derivative action may be maintained only by a*
39 *person that is a partner at the time the action is commenced and:*

40 *1. That was a partner when the conduct giving rise to the*
41 *action occurred; or*

42 *2. Whose status as a partner devolved upon the person by*
43 *operation of law or pursuant to the terms of the partnership*
44 *agreement from a person that was a partner at the time of the*
45 *conduct.*



1 **Sec. 176.** *In a derivative action, the complaint must state*
2 *with particularity:*

3 1. *The date and content of plaintiff's demand and the general*
4 *partners' response to the demand; or*

5 2. *Why demand should be excused as futile.*

6 **Sec. 177.** 1. *Except as otherwise provided in subsection 2:*

7 (a) *Any proceeds or other benefits of a derivative action,*
8 *whether by judgment, compromise or settlement, belong to the*
9 *limited partnership and not to the derivative plaintiff.*

10 (b) *If the derivative plaintiff receives any proceeds, the*
11 *derivative plaintiff shall immediately remit them to the limited*
12 *partnership.*

13 2. *If a derivative action is successful in whole or in part, the*
14 *court may award the plaintiff reasonable expenses, including*
15 *reasonable attorney's fees, from the recovery of the limited*
16 *partnership.*

17 **Sec. 178.** *As used in sections 178 to 190, inclusive, of this*
18 *act, unless the context otherwise requires:*

19 1. *"Constituent limited partnership" means a constituent*
20 *organization that is a limited partnership.*

21 2. *"Constituent organization" means an organization that is*
22 *party to a merger.*

23 3. *"Converted organization" means the organization into*
24 *which a converting organization converts pursuant to sections 179*
25 *to 182, inclusive, of this act.*

26 4. *"Converting limited partnership" means a converting*
27 *organization that is a limited partnership.*

28 5. *"Converting organization" means an organization that*
29 *converts into another organization pursuant to section 179 of this*
30 *act.*

31 6. *"General partner" means a general partner of a limited*
32 *partnership.*

33 7. *"Governing statute" of an organization means the statute*
34 *that governs the organization's internal affairs.*

35 8. *"Organization" means any:*

36 (a) *General partnership, including a limited-liability*
37 *partnership;*

38 (b) *Limited partnership, including a limited-liability limited*
39 *partnership;*

40 (c) *Limited-liability company;*

41 (d) *Business trust;*

42 (e) *Corporation; or*

43 (f) *Any other person having a governing statute.*

44 ↪ *The term includes domestic and foreign organizations whether*
45 *or not organized for profit.*



1 9. “Organizational documents” means:

2 (a) For a domestic or foreign general partnership, its
3 partnership agreement;

4 (b) For a limited partnership or foreign limited partnership, its
5 certificate of limited partnership and partnership agreement;

6 (c) For a domestic or foreign limited-liability company, its
7 articles of organization and operating agreement, or comparable
8 records as provided in its governing statute;

9 (d) For a business trust, its agreement of trust and declaration
10 of trust;

11 (e) For a domestic or foreign corporation for profit, its articles
12 of incorporation, bylaws and other agreements among its
13 shareholders which are authorized by its governing statute, or
14 comparable records as provided in its governing statute; and

15 (f) For any other organization, the basic records that create
16 the organization and determine its internal governance and the
17 relations among the persons that own it, have an interest in it or
18 are members of it.

19 10. “Personal liability” means personal liability for a debt,
20 liability or other obligation of an organization which is imposed
21 on a person that co-owns, has an interest in or is a member of the
22 organization:

23 (a) By the organization’s governing statute solely by reason of
24 the person co-owning, having an interest in or being a member of
25 the organization; or

26 (b) By the organization’s organizational documents under a
27 provision of the organization’s governing statute authorizing those
28 documents to make one or more specified persons liable for all or
29 specified debts, liabilities and other obligations of the organization
30 solely by reason of the person or persons co-owning, having an
31 interest in or being a member of the organization.

32 11. “Surviving organization” means an organization into
33 which one or more other organizations are merged. A surviving
34 organization may preexist the merger or be created by the merger.

35 **Sec. 179. 1.** An organization other than a limited
36 partnership may convert to a limited partnership, and a limited
37 partnership may convert to another organization pursuant to this
38 section and sections 180, 181 and 182 of this act and a plan of
39 conversion, if:

40 (a) The other organization’s governing statute authorizes the
41 conversion;

42 (b) The conversion is not prohibited by the law of the
43 jurisdiction that enacted the governing statute; and

44 (c) The other organization complies with its governing statute
45 in effecting the conversion.



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

- 3 (a) The name and form of the organization before conversion;
4 (b) The name and form of the organization after conversion;
5 (c) The terms and conditions of the conversion, including the
6 manner and basis for converting interests in the converting
7 organization into any combination of money, interests in the
8 converted organization and other consideration; and
9 (d) The organizational documents of the converted
10 organization.

11 **Sec. 180.** 1. Subject to section 187 of this act, a plan of
12 conversion must be consented to by all the partners of a
13 converting limited partnership.

14 2. Subject to section 187 of this act and any contractual
15 rights, after a conversion is approved, and at any time before a
16 filing is made under section 181 of this act, a converting limited
17 partnership may amend the plan or abandon the planned
18 conversion:

- 19 (a) As provided in the plan; and
20 (b) Except as prohibited by the plan, by the same consent as
21 was required to approve the plan.

22 **Sec. 181.** 1. After a plan of conversion is approved:
23 (a) A converting limited partnership shall deliver to the
24 Secretary of State for filing articles of conversion, which must
25 include:

26 (1) A statement that the limited partnership has been
27 converted into another organization;

28 (2) The name and form of the organization and the
29 jurisdiction of its governing statute;

30 (3) The date the conversion is effective under the governing
31 statute of the converted organization;

32 (4) A statement that the conversion was approved as
33 required by this chapter;

34 (5) A statement that the conversion was approved as
35 required by the governing statute of the converted organization;
36 and

37 (6) If the converted organization is a foreign organization
38 not authorized to transact business in this State, the street and
39 mailing address of an office which the Secretary of State may use
40 for the purposes of subsection 3 of section 182 of this act; and

41 (b) If the converting organization is not a converting limited
42 partnership, the converting organization shall deliver to the
43 Secretary of State for filing a certificate of limited partnership,
44 which must include, in addition to the information required by
45 section 124 of this act:



1 (1) A statement that the limited partnership was converted
2 *from another organization;*

3 (2) The name and form of the organization and the
4 *jurisdiction of its governing statute; and*

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

7 2. A conversion becomes effective:

8 (a) *If the converted organization is a limited partnership, when*
9 *the certificate of limited partnership takes effect; and*

10 (b) *If the converted organization is not a limited partnership,*
11 *as provided by the governing statute of the converted organization.*

12 **Sec. 182.** 1. An organization that has been converted
13 *pursuant to sections 178 to 190, inclusive, of this act is for all*
14 *purposes the same entity that existed before the conversion.*

15 2. When a conversion takes effect:

16 (a) *All property owned by the converting organization remains*
17 *vested in the converted organization;*

18 (b) *All debts, liabilities and other obligations of the converting*
19 *organization continue as obligations of the converted*
20 *organization;*

21 (c) *An action or proceeding pending by or against the*
22 *converting organization may be continued as if the conversion had*
23 *not occurred;*

24 (d) *Except as prohibited by other law, all of the rights,*
25 *privileges, immunities, powers and purposes of the converting*
26 *organization remain vested in the converted organization;*

27 (e) *Except as otherwise provided in the plan of conversion, the*
28 *terms and conditions of the plan of conversion take effect; and*

29 (f) *Except as otherwise agreed, the conversion does not*
30 *dissolve a converting limited partnership for the purposes of*
31 *sections 164 to 172, inclusive, of this act.*

32 3. A converted organization that is a foreign organization
33 *consents to the jurisdiction of the courts of this State to enforce*
34 *any obligation owed by the converting limited partnership, if*
35 *before the conversion the converting limited partnership was*
36 *subject to suit in this State on the obligation. A converted*
37 *organization that is a foreign organization and not authorized to*
38 *transact business in this State appoints the Secretary of State as its*
39 *agent for service of process for purposes of enforcing an*
40 *obligation under this subsection.*

41 **Sec. 183.** 1. A limited partnership may merge with one or
42 *more other constituent organizations pursuant to this section and*
43 *sections 184, 185 and 186 of this act and a plan of merger, if:*

44 (a) *The governing statute of each of the other organizations*
45 *authorizes the merger;*



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

3 (c) *Each of the other organizations complies with its governing*
4 *statute in effecting the merger.*

5 2. *A plan of merger must be in a record and must include:*

6 (a) *The name and form of each constituent organization;*

7 (b) *The name and form of the surviving organization and, if*
8 *the surviving organization is to be created by the merger, a*
9 *statement to that effect;*

10 (c) *The terms and conditions of the merger, including the*
11 *manner and basis for converting the interests in each constituent*
12 *organization into any combination of money, interests in the*
13 *surviving organization and other consideration;*

14 (d) *If the surviving organization is to be created by the merger,*
15 *the surviving organization's organizational documents; and*

16 (e) *If the surviving organization is not to be created by the*
17 *merger, any amendments to be made by the merger to the*
18 *surviving organization's organizational documents.*

19 **Sec. 184.** 1. *Subject to section 187 of this act, a plan of*
20 *merger must be consented to by all the partners of a constituent*
21 *limited partnership.*

22 2. *Subject to section 187 of this act and any contractual*
23 *rights, after a merger is approved, and at any time before a filing*
24 *is made under section 185 of this act, a constituent limited*
25 *partnership may amend the plan or abandon the planned merger:*

26 (a) *As provided in the plan; and*

27 (b) *Except as prohibited by the plan, with the same consent as*
28 *was required to approve the plan.*

29 **Sec. 185.** 1. *After each constituent organization has*
30 *approved a merger, articles of merger must be signed on behalf of:*

31 (a) *Each preexisting constituent limited partnership, by each*
32 *general partner listed in the certificate of limited partnership; and*

33 (b) *Each other preexisting constituent organization, by an*
34 *authorized representative.*

35 2. *The articles of merger must include:*

36 (a) *The name and form of each constituent organization and*
37 *the jurisdiction of its governing statute;*

38 (b) *The name and form of the surviving organization, the*
39 *jurisdiction of its governing statute, and, if the surviving*
40 *organization is created by the merger, a statement to that effect;*

41 (c) *The date the merger is effective under the governing statute*
42 *of the surviving organization;*

43 (d) *If the surviving organization is to be created by the merger:*

44 (1) *If it will be a limited partnership, the limited*
45 *partnership's certificate of limited partnership; or*



1 (2) *If it will be an organization other than a limited*
2 *partnership, the organizational document that creates the*
3 *organization;*

4 (e) *If the surviving organization preexists the merger, any*
5 *amendments provided for in the plan of merger for the*
6 *organizational document that created the organization;*

7 (f) *A statement as to each constituent organization that the*
8 *merger was approved as required by the organization's governing*
9 *statute;*

10 (g) *If the surviving organization is a foreign organization not*
11 *authorized to transact business in this State, the street and mailing*
12 *address of an office which the Secretary of State may use for the*
13 *purposes of subsection 2 of section 186 of this act; and*

14 (h) *Any additional information required by the governing*
15 *statute of any constituent organization.*

16 3. *Each constituent limited partnership shall deliver the*
17 *articles of merger for filing in the Office of the Secretary of State.*

18 4. *A merger becomes effective under sections 178 to 190,*
19 *inclusive, of this act:*

20 (a) *If the surviving organization is a limited partnership, upon*
21 *the later of:*

22 (1) *Compliance with subsection 3; or*

23 (2) *A date specified in the articles of merger; or*

24 (b) *If the surviving organization is not a limited partnership,*
25 *as provided by the governing statute of the surviving organization.*

26 **Sec. 186. 1. When a merger becomes effective:**

27 (a) *The surviving organization continues or comes into*
28 *existence;*

29 (b) *Each constituent organization that merges into the*
30 *surviving organization ceases to exist as a separate entity;*

31 (c) *All property owned by each constituent organization that*
32 *ceases to exist vests in the surviving organization;*

33 (d) *All debts, liabilities and other obligations of each*
34 *constituent organization that ceases to exist continue as*
35 *obligations of the surviving organization;*

36 (e) *An action or proceeding pending by or against any*
37 *constituent organization that ceases to exist may be continued as if*
38 *the merger had not occurred;*

39 (f) *Except as prohibited by other law, all of the rights,*
40 *privileges, immunities, powers and purposes of each constituent*
41 *organization that ceases to exist vest in the surviving organization;*

42 (g) *Except as otherwise provided in the plan of merger, the*
43 *terms and conditions of the plan of merger take effect;*

44 (h) *Except as otherwise agreed, if a constituent limited*
45 *partnership ceases to exist, the merger does not dissolve the*



1 *limited partnership for the purposes of sections 164 to 172,*
2 *inclusive, of this act;*

3 *(i) If the surviving organization is created by the merger:*

4 *(1) If it is a limited partnership, the certificate of limited*
5 *partnership becomes effective; or*

6 *(2) If it is an organization other than a limited partnership,*
7 *the organizational document that creates the organization*
8 *becomes effective; and*

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

13 *2. A surviving organization that is a foreign organization*
14 *consents to the jurisdiction of the courts of this State to enforce*
15 *any obligation owed by a constituent organization, if before the*
16 *merger the constituent organization was subject to suit in this*
17 *State on the obligation. A surviving organization that is a foreign*
18 *organization and not authorized to transact business in this State*
19 *appoints the Secretary of State as its agent for service of process*
20 *for the purposes of enforcing an obligation under this subsection.*

21 **Sec. 187.** *1. If a partner of a converting or constituent*
22 *limited partnership will have personal liability with respect to a*
23 *converted or surviving organization, approval and amendment of*
24 *a plan of conversion or merger are ineffective without the consent*
25 *of the partner, unless:*

26 *(a) The limited partnership's partnership agreement provides*
27 *for the approval of the conversion or merger with the consent of*
28 *fewer than all the partners; and*

29 *(b) The partner has consented to the provision of the*
30 *partnership agreement.*

31 *2. A partner does not give the consent required by subsection*
32 *1 merely by consenting to a provision of the partnership*
33 *agreement which permits the partnership agreement to be*
34 *amended with the consent of fewer than all the partners.*

35 **Sec. 188.** *1. A conversion or merger under sections 178 to*
36 *190, inclusive, of this act does not discharge any liability under*
37 *sections 139 and 159 of this act of a person that was a general*
38 *partner in or dissociated as a general partner from a converting or*
39 *constituent limited partnership, but:*

40 *(a) The provisions of this chapter pertaining to the collection*
41 *or discharge of the liability continue to apply to the liability;*

42 *(b) For the purposes of applying those provisions, the*
43 *converted or surviving organization is deemed to be the converting*
44 *or constituent limited partnership; and*



1 (c) *If a person is required to pay any amount under this*
2 *subsection:*

3 (1) *The person has a right of contribution from each other*
4 *person that was liable as a general partner under section 139 of*
5 *this act when the obligation was incurred and has not been*
6 *released from the obligation under section 159 of this act; and*

7 (2) *The contribution due from each of those persons is in*
8 *proportion to the right to receive distributions in the capacity of*
9 *general partner in effect for each of those persons when the*
10 *obligation was incurred.*

11 2. *In addition to any other liability provided by law:*

12 (a) *A person that immediately before a conversion or merger*
13 *became effective was a general partner in a converting or*
14 *constituent limited partnership that was not a limited-liability*
15 *limited partnership is personally liable for each obligation of the*
16 *converted or surviving organization arising from a transaction*
17 *with a third party after the conversion or merger becomes*
18 *effective, if, at the time the third party enters into the transaction,*
19 *the third party:*

20 (1) *Does not have notice of the conversion or merger; and*

21 (2) *Reasonably believes that:*

22 (I) *The converted or surviving business is the converting*
23 *or constituent limited partnership;*

24 (II) *The converting or constituent limited partnership is*
25 *not a limited-liability limited partnership; and*

26 (III) *The person is a general partner in the converting*
27 *or constituent limited partnership; and*

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

34 (1) *Immediately before the conversion or merger became*
35 *effective the converting or surviving limited partnership was a not*
36 *a limited-liability limited partnership; and*

37 (2) *At the time the third party enters into the transaction*
38 *less than 2 years has passed since the person dissociated as a*
39 *general partner and the third party:*

40 (I) *Does not have notice of the dissociation;*

41 (II) *Does not have notice of the conversion or merger;*

42 *and*

43 (III) *Reasonably believes that the converted or surviving*
44 *organization is the converting or constituent limited partnership,*
45 *the converting or constituent limited partnership is not a limited-*



1 *liability limited partnership, and the person is a general partner in*
2 *the converting or constituent limited partnership.*

3 **Sec. 189.** 1. *An act of a person that immediately before a*
4 *conversion or merger became effective was a general partner in a*
5 *converting or constituent limited partnership binds the converted*
6 *or surviving organization after the conversion or merger becomes*
7 *effective, if:*

8 (a) *Before the conversion or merger became effective, the act*
9 *would have bound the converting or constituent limited*
10 *partnership under section 137 of this act; and*

11 (b) *At the time the third party enters into the transaction, the*
12 *third party:*

13 (1) *Does not have notice of the conversion or merger; and*

14 (2) *Reasonably believes that the converted or surviving*
15 *business is the converting or constituent limited partnership and*
16 *that the person is a general partner in the converting or*
17 *constituent limited partnership.*

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

23 (a) *Before the conversion or merger became effective, the act*
24 *would have bound the converting or constituent limited*
25 *partnership under section 137 of this act if the person had been a*
26 *general partner; and*

27 (b) *At the time the third party enters into the transaction, less*
28 *than 2 years has passed since the person dissociated as a general*
29 *partner and the third party:*

30 (1) *Does not have notice of the dissociation;*

31 (2) *Does not have notice of the conversion or merger; and*

32 (3) *Reasonably believes that the converted or surviving*
33 *organization is the converting or constituent limited partnership*
34 *and that the person is a general partner in the converting or*
35 *constituent limited partnership.*

36 3. *If a person having knowledge of the conversion or merger*
37 *causes a converted or surviving organization to incur an*
38 *obligation under subsection 1 or 2, the person is liable:*

39 (a) *To the converted or surviving organization for any damage*
40 *caused to the organization arising from the obligation; and*

41 (b) *If another person is liable for the obligation, to that other*
42 *person for any damage caused to that other person arising from*
43 *the liability.*



1 **Sec. 190.** *The provisions of sections 178 to 190, inclusive, of*
2 *this act do not preclude an entity from being converted or merged*
3 *under other law.*

4 **Sec. 191.** *In applying and construing the Uniform Limited*
5 *Partnership Act (2001), consideration must be given to the need to*
6 *promote uniformity of the law with respect to its subject matter*
7 *among states that enact it.*

8 **Sec. 192.** *This chapter modifies, limits or supersedes the*
9 *federal Electronic Signatures in Global and National Commerce*
10 *Act, 15 U.S.C. §§ 7001 et seq., but this chapter does not modify,*
11 *limit or supersede Section 101(c) of that Act or authorize*
12 *electronic delivery of any of the notices described in Section*
13 *103(b) of that Act.*

14 **Sec. 193.** NRS 88.320 is hereby amended to read as follows:

15 88.320 1. Except as otherwise provided in NRS 88.6065, the
16 name proposed for a limited partnership as set forth in its certificate
17 of limited partnership:

18 (a) Must contain the words "Limited Partnership," or the
19 abbreviation "LP" or "L.P.";

20 (b) May ~~not contain the name of a limited partner unless:-~~
21 ~~—— (1) It is also the name of a general partner or the corporate~~
22 ~~name of a corporate general partner; or~~
23 ~~—— (2) The business of the limited partnership had been carried~~
24 ~~on under that name before the admission of that limited]~~ *contain the*
25 *name of any* partner; and

26 (c) Must be distinguishable on the records of the Secretary of
27 State from the names of all other artificial persons formed,
28 organized, registered or qualified pursuant to the provisions of this
29 title that are on file in the Office of the Secretary of State and all
30 names that are reserved in the Office of the Secretary of State
31 pursuant to the provisions of this title. If the name on the certificate
32 of limited partnership submitted to the Secretary of State is not
33 distinguishable from any name on file or reserved name, the
34 Secretary of State shall return the certificate to the filer, unless
35 the written, acknowledged consent to the use of the same or the
36 requested similar name of the holder of the name on file or reserved
37 name accompanies the certificate of limited partnership.

38 2. For the purposes of this section, a proposed name is not
39 distinguished from a name on file or reserved name solely because
40 one or the other contains distinctive lettering, a distinctive mark, a
41 trademark or a trade name, or any combination thereof.

42 3. The Secretary of State shall not accept for filing any
43 certificate of limited partnership for any limited partnership formed
44 or existing pursuant to the laws of this State which provides that the
45 name of the limited partnership contains the word "accountant,"



1 “accounting,” “accountancy,” “auditor” or “auditing” unless the
2 Nevada State Board of Accountancy certifies that the limited
3 partnership:

4 (a) Is registered pursuant to the provisions of chapter 628 of
5 NRS; or

6 (b) Has filed with the Nevada State Board of Accountancy under
7 penalty of perjury a written statement that the limited partnership is
8 not engaged in the practice of accounting and is not offering to
9 practice accounting in this State.

10 4. The Secretary of State shall not accept for filing any
11 certificate of limited partnership for any limited partnership formed
12 or existing pursuant to the laws of this State which provides that the
13 name of the limited partnership contains the word “bank” or “trust”
14 unless:

15 (a) It appears from the certificate of limited partnership that the
16 limited partnership proposes to carry on business as a banking or
17 trust company, exclusively or in connection with its business as a
18 bank, savings and loan association or thrift company; and

19 (b) The certificate of limited partnership is first approved by the
20 Commissioner of Financial Institutions.

21 5. The Secretary of State shall not accept for filing any
22 certificate of limited partnership for any limited partnership formed
23 or existing pursuant to the provisions of this chapter if it appears
24 from the certificate of limited partnership that the business to be
25 carried on by the limited partnership is subject to supervision by the
26 Commissioner of Insurance or by the Commissioner of Financial
27 Institutions, unless the certificate of limited partnership is approved
28 by the Commissioner who will supervise the business of the limited
29 partnership.

30 6. Except as otherwise provided in subsection 5, the Secretary
31 of State shall not accept for filing any certificate of limited
32 partnership for any limited partnership formed or existing pursuant
33 to the laws of this State which provides that the name of the limited
34 partnership contains the words “engineer,” “engineered,”
35 “engineering,” “professional engineer,” “registered engineer” or
36 “licensed engineer” unless:

37 (a) The State Board of Professional Engineers and Land
38 Surveyors certifies that the principals of the limited partnership are
39 licensed to practice engineering pursuant to the laws of this State; or

40 (b) The State Board of Professional Engineers and Land
41 Surveyors certifies that the limited partnership is exempt from the
42 prohibitions of NRS 625.520.

43 7. The Secretary of State shall not accept for filing any
44 certificate of limited partnership for any limited partnership formed
45 or existing pursuant to the laws of this State which provides that the



1 name of the limited partnership contains the words “unit-owners’
2 association” or “homeowners’ association” or if it appears in the
3 certificate of limited partnership that the purpose of the limited
4 partnership is to operate as a unit-owners’ association pursuant to
5 chapter 116 of NRS unless the Administrator of the Real Estate
6 Division of the Department of Business and Industry certifies that
7 the limited partnership has:

8 (a) Registered with the Ombudsman for Owners in Common-
9 Interest Communities pursuant to NRS 116.31158; and

10 (b) Paid to the Administrator of the Real Estate Division the fees
11 required pursuant to NRS 116.31155.

12 8. The name of a limited partnership whose right to transact
13 business has been forfeited, which has merged and is not the
14 surviving entity or whose existence has otherwise terminated is
15 available for use by any other artificial person.

16 9. The Secretary of State may adopt regulations that interpret
17 the requirements of this section.

18 **Sec. 194.** NRS 88.330 is hereby amended to read as follows:

19 88.330 1. Each limited partnership shall *designate and*
20 continuously maintain in this State:

21 (a) An office, which may but need not be a place of its business
22 in this State, at which must be kept the records required by ~~NRS~~
23 ~~88.335~~ *section 120 of this act* to be maintained; and

24 (b) A resident agent.

25 2. Every resident agent shall file a certificate in the Office of
26 the Secretary of State, setting forth his street address where process
27 may be served upon the limited partnership and his mailing address
28 if different from the street address.

29 3. Within 30 days after changing the location of his office from
30 one address to another in this State, a resident agent shall file a
31 certificate with the Secretary of State setting forth the names of the
32 limited partnerships represented by the agent, the address at which
33 he has maintained the office for each of the limited partnerships, and
34 the new address to which the office is transferred.

35 4. Within 30 days after changing the location of the office
36 which contains records for a limited partnership, a general partner of
37 the limited partnership shall file a certificate of a change in address
38 with the Secretary of State which sets forth the name of the limited
39 partnership, the previous address of the office which contains
40 records and the new address of the office which contains records.

41 **Sec. 195.** NRS 88.339 is hereby amended to read as follows:

42 88.339 1. A limited partnership *or foreign limited*
43 *partnership* may correct a record filed in the Office of the Secretary
44 of State with respect to the limited partnership *or foreign limited*
45 *partnership* if the record contains ~~[an inaccurate description of a~~



1 ~~partnership action~~ *false or erroneous information* or if the record
2 was defectively signed, attested, sealed, verified or acknowledged.

3 2. To correct a record, the limited partnership *or foreign*
4 *limited partnership* must:

5 (a) Prepare a certificate of correction that:

6 (1) States the name of the limited partnership ~~[]~~ *or foreign*
7 *limited partnership*;

8 (2) Describes the record, including, without limitation, its
9 filing date;

10 (3) Specifies the ~~[inaccuracy]~~ *false or erroneous*
11 *information or the* defect;

12 (4) Sets forth the ~~[inaccurate]~~ *false or erroneous*
13 *information or the* defective portion of the record in an accurate or
14 corrected form; and

15 (5) Is signed by a general partner of the limited partnership
16 ~~[]~~ *or foreign limited partnership*.

17 (b) Deliver the certificate to the Secretary of State for filing.

18 (c) Pay a filing fee of \$175 to the Secretary of State.

19 3. A certificate of correction *must not state a delayed effective*
20 *date and* is effective on the effective date of the record it corrects ,
21 except ~~[as]~~ *that the certificate is effective when filed*:

22 (a) *For the purposes of subsections 3 and 4 of section 114 of*
23 *this act; and*

24 (b) *As* to persons relying on the uncorrected record and
25 adversely affected by the correction. ~~[As to those persons, the~~
26 ~~certificate is effective when filed.]~~

27 **Sec. 196.** NRS 88.395 is hereby amended to read as follows:

28 88.395 1. A limited partnership shall, on or before the last
29 day of the first month after the filing of its certificate of limited
30 partnership with the Secretary of State, and annually thereafter on or
31 before the last day of the month in which the anniversary date of the
32 filing of its certificate of limited partnership occurs, file with the
33 Secretary of State, on a form furnished by him, a list that contains:

34 (a) The name of the limited partnership;

35 (b) The file number of the limited partnership, if known;

36 (c) The names of all of its general partners;

37 (d) The address, either residence or business, of each general
38 partner;

39 (e) The name and address of the lawfully designated resident
40 agent of the limited partnership; and

41 (f) The signature of a general partner of the limited partnership
42 certifying that the list is true, complete and accurate.

43 ➤ Each list filed pursuant to this subsection must be accompanied
44 by a declaration under penalty of perjury that the limited partnership
45 has complied with the provisions of NRS 360.780 and which



1 acknowledges that pursuant to NRS 239.330 it is a category C
2 felony to knowingly offer any false or forged instrument for filing in
3 the Office of the Secretary of State.

4 2. Except as otherwise provided in subsection 3, a limited
5 partnership shall, upon filing:

6 (a) The initial list required by subsection 1, pay to the Secretary
7 of State a fee of \$125.

8 (b) Each annual list required by subsection 1, pay to the
9 Secretary of State a fee of \$125.

10 3. A registered limited-liability limited partnership shall, upon
11 filing:

12 (a) The initial list required by subsection 1, pay to the Secretary
13 of State a fee of \$125.

14 (b) Each annual list required by subsection 1, pay to the
15 Secretary of State a fee of \$175.

16 4. If a general partner of a limited partnership resigns and the
17 resignation is not made in conjunction with the filing of an annual or
18 amended list of general partners, the limited partnership shall pay to
19 the Secretary of State a fee of \$75 to file the resignation of the
20 general partner.

21 5. The Secretary of State shall, 60 days before the last day for
22 filing each annual list required by subsection 1, cause to be mailed
23 to each limited partnership which is required to comply with the
24 provisions of this section, and which has not become delinquent, a
25 notice of the fee due pursuant to the provisions of subsection 2 or 3,
26 as appropriate, and a reminder to file the annual list. Failure of any
27 limited partnership to receive a notice or form does not excuse it
28 from the penalty imposed by NRS 88.400.

29 6. If the list to be filed pursuant to the provisions of subsection
30 1 is defective or the fee required by subsection 2 or 3 is not paid, the
31 Secretary of State may return the list for correction or payment.

32 7. An annual list for a limited partnership not in default that is
33 received by the Secretary of State more than 90 days before its due
34 date shall be deemed an amended list for the previous year and does
35 not satisfy the requirements of subsection 1 for the year to which the
36 due date is applicable.

37 8. A filing made pursuant to this section does not satisfy the
38 provisions of ~~NRS 88.355~~ *section 125 of this act* and may not be
39 substituted for filings submitted pursuant to ~~NRS 88.355~~ *section*
40 *125 of this act*.

41 **Sec. 197.** NRS 88.410 is hereby amended to read as follows:

42 88.410 1. Except as otherwise provided in subsections 3 and
43 4, the Secretary of State shall reinstate any limited partnership
44 which has forfeited or which forfeits its right to transact business
45 under the provisions of this chapter and restore to the limited



1 partnership its right to carry on business in this State, and to exercise
2 its privileges and immunities if it:

3 (a) Files with the Secretary of State:

4 (1) The list required pursuant to NRS 88.395;

5 (2) The statement required by NRS 88.397, if applicable; and

6 (3) A certificate of acceptance of appointment signed by its
7 resident agent; and

8 (b) Pays to the Secretary of State:

9 (1) The filing fee and penalty set forth in NRS 88.395 and
10 88.400 for each year or portion thereof during which the certificate
11 has been revoked;

12 (2) The fee set forth in NRS 88.397, if applicable; and

13 (3) A fee of \$300 for reinstatement.

14 2. When the Secretary of State reinstates the limited
15 partnership, he shall issue to the limited partnership a certificate of
16 reinstatement if the limited partnership:

17 (a) Requests a certificate of reinstatement; and

18 (b) Pays the required fees pursuant to NRS 88.415.

19 3. The Secretary of State shall not order a reinstatement unless
20 all delinquent fees and penalties have been paid, and the revocation
21 occurred only by reason of failure to pay the fees and penalties.

22 4. If a limited partnership's certificate has been revoked
23 pursuant to the provisions of this chapter and has remained revoked
24 for a period of 5 years, the certificate must not be reinstated.

25 *5. If a limited partnership's certificate is reinstated pursuant*
26 *to this section, the reinstatement relates back to and takes effect on*
27 *the effective date of the revocation, and the limited partnership's*
28 *status as a limited partnership continues as if the revocation had*
29 *never occurred.*

30 **Sec. 198.** NRS 88.415 is hereby amended to read as follows:

31 88.415 The Secretary of State, for services relating to his
32 official duties and the records of his office, shall charge and collect
33 the following fees:

34 1. For filing a certificate of limited partnership, or for
35 registering a foreign limited partnership, \$75.

36 2. For filing a certificate of registration of limited-liability
37 limited partnership, or for registering a foreign registered limited-
38 liability *limited* partnership, \$100.

39 3. For filing a certificate of amendment of limited partnership
40 or restated certificate of limited partnership, \$175.

41 4. For filing a certificate of a change of location of the records
42 office of a limited partnership or the office of its resident agent, or a
43 designation of a new resident agent, \$60.



5. For certifying a certificate of limited partnership, an amendment to the certificate, or a certificate as amended where a copy is provided, \$30 per certification.

6. For certifying an authorized printed copy of the limited partnership law, \$30.

7. For reserving a limited partnership name, or for signing, filing or certifying any other record, \$25.

8. For copies made at the Office of the Secretary of State, \$2 per page.

9. For filing a *statement of termination of a limited partnership or a* certificate of cancellation of *the registration of a foreign* limited partnership, \$75.

↳ Except as otherwise provided in this section, the fees set forth in NRS 78.785 apply to this chapter.

Sec. 199. NRS 88.570 is hereby amended to read as follows:

88.570 Subject to the constitution of this State:

1. The laws of the state *or jurisdiction* under which a foreign limited partnership is organized govern ~~[its organization and internal affairs and the liability of its limited partners;]~~ :

(a) *Relations among the partners of the foreign limited partnership and between the partners and the foreign limited partnership; and*

(b) *The liability of partners as partners for an obligation of the foreign limited partnership; and*

2. A foreign limited partnership may not be denied registration by reason of any difference between those laws and the laws of this State.

Sec. 200. NRS 88.575 is hereby amended to read as follows:

88.575 Before transacting business in this State, a foreign limited partnership shall register with the Secretary of State. In order to register, a foreign limited partnership shall submit to the Secretary of State an application for registration as a foreign limited partnership, signed by a general partner, ~~[and]~~ *a signed certificate of acceptance of a resident agent [] and a certificate of existence or another record of similar import signed by the governmental official having custody of the foreign limited partnership's publicly filed records in the state or other jurisdiction under whose law the foreign limited partnership is organized.* The application for registration must set forth:

1. The name of the foreign limited partnership and, if different, the name under which it proposes to register and transact business in this State;

2. The state *or jurisdiction under whose law the foreign limited partnership is organized* and *the* date of its ~~[formation;]~~ *organization;*



1 3. The name and *street* address of the resident agent whom the
2 foreign limited partnership elects to appoint;

3 4. A statement that the Secretary of State is appointed the agent
4 of the foreign limited partnership for service of process if the
5 resident agent's authority has been revoked or if the resident agent
6 cannot be found or served with the exercise of reasonable diligence;

7 5. The address of the office required to be maintained in the
8 state of its organization by the laws of that state or, if not so
9 required, of the principal office of the foreign limited partnership;

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
12 and addresses of the limited partners and their capital contributions,
13 together with an undertaking by the foreign limited partnership to
14 keep those records until the foreign limited partnership's registration
15 in this State is cancelled or withdrawn.

16 **Sec. 201.** NRS 88.580 is hereby amended to read as follows:

17 88.580 *1.* If the Secretary of State finds that an application
18 for registration *filed by a foreign limited partnership* conforms to
19 law and all requisite fees have been paid, he shall issue a certificate
20 of registration to transact business in this State and mail it to the
21 person who filed the application or his representative.

22 *2. A certificate of registration does not authorize a foreign*
23 *limited partnership to engage in any business or exercise any*
24 *power that a limited partnership may not engage in or exercise in*
25 *this State.*

26 **Sec. 202.** NRS 88.594 is hereby amended to read as follows:

27 88.594 *1.* Except as otherwise provided in subsections 3 and
28 4, the Secretary of State shall reinstate a foreign limited partnership
29 which has forfeited or which forfeits its right to transact business
30 under the provisions of this chapter and shall restore to the foreign
31 limited partnership its right to transact business in this State, and to
32 exercise its privileges and immunities, if it:

33 (a) Files with the Secretary of State:

34 (1) The list required by NRS 88.591;

35 (2) The statement required by NRS 88.5915, if applicable;
36 and

37 (3) A certificate of acceptance of appointment signed by its
38 resident agent; and

39 (b) Pays to the Secretary of State:

40 (1) The filing fee and penalty set forth in NRS 88.591 and
41 88.593 for each year or portion thereof that its right to transact
42 business was forfeited;

43 (2) The fee set forth in NRS 88.5915, if applicable; and

44 (3) A fee of \$300 for reinstatement.



2. When the Secretary of State reinstates the foreign limited partnership, he shall issue to the foreign limited partnership a certificate of reinstatement if the foreign limited partnership:

- (a) Requests a certificate of reinstatement; and
- (b) Pays the required fees pursuant to NRS 88.415.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign limited partnership to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right is not subject to reinstatement.

5. If the right of a foreign limited partnership to transact business in this State is reinstated pursuant to this section, the reinstatement relates back to and takes effect on the effective date of the revocation, and the foreign limited partnership's status as a foreign limited partnership continues as if the revocation had never occurred.

Sec. 203. NRS 88.606 is hereby amended to read as follows:

88.606 1. To become a registered limited-liability limited partnership, a limited partnership shall file with the Secretary of State a certificate of registration stating each of the following:

- (a) The name of the limited partnership.
- (b) The street address of its principal office.
- (c) The name of the person designated as the resident agent of the limited partnership, the street address of the resident agent where process may be served upon the partnership and the mailing address of the resident agent if it is different from his street address.
- (d) The name and business address of each organizer signing the certificate.
- (e) The name and business address of each initial general partner.
- (f) That the limited partnership thereafter will be a registered limited-liability limited partnership.
- (g) Any other information that the limited partnership wishes to include.

2. The certificate of registration must be signed by the vote necessary to amend the partnership agreement or, in the case of a partnership agreement that expressly considers contribution obligations, the vote necessary to amend those provisions.

3. The Secretary of State shall register as a registered limited-liability limited partnership any limited partnership that submits a completed certificate of registration with the required fee.



4. The registration of a registered limited-liability limited partnership is effective ~~[at the time]~~ *on the later* of the filing of the certificate of registration ~~[]~~ *or a date specified in the certificate of registration.*

Sec. 204. NRS 88.650 is hereby amended to read as follows:

88.650 To the extent permitted by the law of that jurisdiction ~~[]~~ *—1.— A*, *a* limited partnership ~~[, including a registered limited liability limited partnership.]~~ formed and existing under this chapter ~~[]~~ may conduct its business, carry on its operations ~~[]~~ and exercise the powers granted by this chapter in any state, territory, district or possession of the United States or in any foreign country.

~~[2.— The internal affairs of a limited partnership, including a registered limited liability limited partnership, formed and existing under this chapter, including the liability of partners for debts, obligations and liabilities of or chargeable to the partnership, are governed by the laws of this State.]~~

Sec. 205. NRS 87.010, 87.020, 87.030, 87.040, 87.050, 87.060, 87.070, 87.080, 87.090, 87.100, 87.110, 87.120, 87.130, 87.140, 87.150, 87.160, 87.170, 87.180, 87.190, 87.200, 87.210, 87.220, 87.230, 87.240, 87.250, 87.260, 87.270, 87.280, 87.290, 87.300, 87.310, 87.320, 87.330, 87.340, 87.350, 87.360, 87.370, 87.380, 87.390, 87.400, 87.410, 87.420, 87.430, 88.010, 88.315, 88.335, 88.342, 88.345, 88.350, 88.355, 88.360, 88.365, 88.370, 88.375, 88.380, 88.385, 88.390, 88.420, 88.425, 88.430, 88.435, 88.440, 88.445, 88.450, 88.455, 88.460, 88.465, 88.470, 88.475, 88.480, 88.485, 88.490, 88.495, 88.500, 88.505, 88.510, 88.515, 88.520, 88.525, 88.528, 88.530, 88.535, 88.540, 88.545, 88.550, 88.555, 88.560, 88.565, 88.608, 88.6085, 88.610, 88.615, 88.620, 88.625, 88.630 and 88.635 are hereby repealed.

Sec. 206. 1. Before October 1, 2007, the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act govern only a partnership formed:

(a) After October 1, 2005, except a partnership that is continuing the business of a dissolved partnership under the law applicable immediately before October 1, 2005; and

(b) Before October 1, 2005, that elects, as provided by subsection 3, to be governed by the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act.

2. On and after October 1, 2007, the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act govern all partnerships.

3. Before October 1, 2007, a partnership voluntarily may elect, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be governed by the amendatory provisions of sections 1 to 84, inclusive, and 205 of this



act. The amendatory provisions of those sections relating to the liability of the partnership's partners to third parties apply to limit those partners' liability to a third party who had done business with the partnership within 1 year before the partnership's election to be governed by the amendatory provisions of those sections only if the third party knows or has received a notification of the partnership's election to be governed by the amendatory provisions of those sections.

4. Before October 1, 2007, the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act govern only a registered limited-liability partnership formed:

(a) After October 1, 2005, except a registered limited-liability partnership that is continuing the business of a dissolved registered limited-liability partnership under the law applicable immediately before October 1, 2005; and

(b) Before October 1, 2005, that elects, as provided by subsection 6, to be governed by the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act.

5. On and after October 1, 2007, the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act govern all registered limited-liability partnerships.

6. Before October 1, 2007, a registered limited-liability partnership voluntarily may elect, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be governed by the amendatory provisions of sections 1 to 84, inclusive, and 205 of this act. The amendatory provisions of those sections relating to the liability of the registered limited-liability partnership's partners to third parties apply to limit those partners' liability to a third party who had done business with the registered limited-liability partnership within 1 year before the registered limited-liability partnership's election to be governed by the amendatory provisions of those sections only if the third party knows or has received a notification of the registered limited-liability partnership's election to be governed by the amendatory provisions of those sections.

7. Before October 1, 2007, the amendatory provisions of sections 85 to 205, inclusive, of this act govern only:

(a) A limited partnership formed on or after October 1, 2005; and

(b) Except as otherwise provided in subsections 8 and 9, a limited partnership formed before October 1, 2005, that elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to the amendatory provisions of sections 85 to 205, inclusive, of this act.



1 8. Except as otherwise provided in subsection 9, on and after
2 October 1, 2007, the amendatory provisions of sections 85 to 205,
3 inclusive, of this act apply to all limited partnerships.

4 9. With respect to a limited partnership formed before
5 October 1, 2005, the following rules apply except as the partners
6 otherwise elect in the manner provided in the partnership agreement
7 or by law for amending the partnership agreement:

8 (a) Subsection 3 of section 115 of this act does not apply and the
9 limited partnership has whatever duration it had under the law
10 applicable immediately before October 1, 2005.

11 (b) Sections 153 and 154 of this act do not apply and a limited
12 partner has the same right and power to dissociate from the limited
13 partnership, with the same consequences, as existed immediately
14 before October 1, 2005.

15 (c) Subsection 4 of section 155 of this act does not apply.

16 (d) Subsection 5 of section 155 of this act does not apply and a
17 court has the same power to expel a general partner as the court had
18 immediately before October 1, 2005.

19 (e) Subsection 3 of section 164 of this act does not apply and the
20 connection between a person's dissociation as a general partner and
21 the dissolution of the limited partnership is the same as existed
22 immediately before October 1, 2005.

23 10. Except as otherwise provided in subsection 11, with respect
24 to a limited partnership that elects pursuant to paragraph (b) of
25 subsection 7 to be subject to the amendatory provisions of sections
26 85 to 205, inclusive, of this act, after the election takes effect the
27 amendatory provisions of those sections relating to the liability of
28 the limited partnership's general partners to third parties apply:

29 (a) Before October 1, 2007, to:

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

32 (2) A third party that had done business with the limited
33 partnership in the year before the election took effect only if the
34 third party knows or has received a notification of the election; and

35 (b) On and after October 1, 2007, to all third parties, but the
36 amendatory provisions of those sections remain inapplicable to any
37 obligation incurred while those amendatory provisions were
38 inapplicable under subparagraph (2) of paragraph (a).

39 11. If a registered limited-liability limited partnership elects
40 pursuant to paragraph (b) of subsection 7 to be subject to the
41 amendatory provisions of sections 85 to 205, inclusive, of this act,
42 after the election takes effect the amendatory provisions of those
43 sections relating to the liability of the registered limited-liability
44 limited partnership's general partners to third parties apply
45 immediately to all third parties, regardless of whether those third



- 1 parties have previously done business with the registered limited-
2 liability limited partnership.
3 **Sec. 207.** The amendatory provisions of this act do not affect
4 an action or proceeding commenced or right accrued before
5 October 1, 2005.

LEADLINES OF REPEALED SECTIONS

- 87.010 Name of chapter.
87.020 Definitions.
87.030 Interpretation of knowledge and notice.
87.040 Rules of construction.
87.050 Rules for cases not provided for in this chapter.
87.060 Partnership defined.
87.070 Rules for determining existence of partnership.
87.080 Property of partnership.
87.090 Partner agent of partnership; restrictions on
authority.
87.100 Conveyance of real property of partnership.
87.110 Partnership bound by admission of partner.
87.120 Partnership charged with knowledge of or notice to
partner.
87.130 Partnership bound by partner's wrongful act.
87.140 Partnership bound by partner's breach of trust.
87.150 Nature of partner's liability.
87.160 Partner by estoppel.
87.170 Liability of incoming partner.
87.180 Rules determining rights and duties of partners.
87.190 Partnership's books.
87.200 Duty of partners to render information.
87.210 Partner accountable as fiduciary.
87.220 Right to formal account.
87.230 Continuation of partnership beyond fixed term.
87.240 Extent of property rights of partner.
87.250 Nature of partner's right in specific property of
partnership.
87.260 Nature of partner's interest in partnership.
87.270 Assignment of partner's interest.
87.280 Partner's interest subject to charging order.
87.290 Dissolution defined.
87.300 Partnership not terminated by dissolution.
87.310 Causes of dissolution.



- 87.320 Dissolution by decree of court.
- 87.330 General effect of dissolution on authority of partner.
- 87.340 Right of partner to contribution from copartners after dissolution.
- 87.350 Power of partner to bind partnership to third persons after dissolution.
- 87.360 Effect of dissolution on partner's existing liability.
- 87.370 Right to wind up.
- 87.380 Rights of partners to application of property of partnership.
- 87.390 Rights where partnership is dissolved for fraud or misrepresentation.
- 87.400 Rules for distribution.
- 87.410 Liability of persons who continue business of partnership in certain cases.
- 87.420 Rights of retiring or estate of deceased partner when business of partnership is continued.
- 87.430 Accrual of actions.
- 88.010 Name of chapter.
- 88.315 Definitions.
- 88.335 Records required to be maintained at office in State; inspection and copying of records.
- 88.342 Business which may be carried on.
- 88.345 Right of partner to transact other business with partnership.
- 88.350 Filing requirements; required and optional provisions of certificate of limited partnership.
- 88.355 Amendment and restatement of certificate of limited partnership.
- 88.360 Cancellation of certificate of limited partnership.
- 88.365 Authority of district court to order signing of certificate.
- 88.370 Notice imparted by filing certificate of limited partnership.
- 88.375 Manner in which certificates must be signed.
- 88.380 Filing of certificates or judicial decrees; effective date.
- 88.385 Liability for false statements in certificates.
- 88.390 Delivery of certificates to limited partners.
- 88.420 When person becomes limited partner; admission of additional limited partners.
- 88.425 Voting rights.
- 88.430 Liability to other persons; exceptions.
- 88.435 Liability of person erroneously believing himself limited partner.



- 88.440** Right of limited partner to records and information of partnership.
- 88.445** Admission of additional general partners.
- 88.450** Events of withdrawal.
- 88.455** Rights, powers and liabilities.
- 88.460** Contributions to partnership by general partner.
- 88.465** Voting rights.
- 88.470** Form of partner's contribution.
- 88.475** Liability of partner for contributions to partnership.
- 88.480** Sharing of profits and losses among partners.
- 88.485** Distribution of assets among partners.
- 88.490** Right of partner to receive distributions before withdrawal from or dissolution of partnership.
- 88.495** Withdrawal of general partner.
- 88.500** Withdrawal of limited partner.
- 88.505** Distribution upon withdrawal.
- 88.510** Distribution in kind.
- 88.515** Rights upon distribution.
- 88.520** Limitations on distribution.
- 88.525** Liability upon return of contribution.
- 88.528** Nature of interest in partnership.
- 88.530** Assignments.
- 88.535** Rights and remedies of creditor of partner.
- 88.540** Right of assignee to become limited partner; liability.
- 88.545** Rights of estate of deceased or incompetent partner.
- 88.550** Events causing dissolution.
- 88.555** Dissolution by decree of district court.
- 88.560** Winding up.
- 88.565** Distribution of assets.
- 88.608** Liability of partner for debt or liability of partnership.
- 88.6085** Liability of persons acting on behalf of partnership without authority.
- 88.610** Authority of limited partner to bring action.
- 88.615** Qualifications of plaintiff.
- 88.620** Pleading.
- 88.625** Expenses.
- 88.630** Legislative intent.
- 88.635** Applicability of chapter 87 of NRS.

