

CHAPTER.....

AN ACT relating to business entities; adopting the Uniform Partnership Act (1997) and providing for its applicability on a voluntary basis; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Uniform Partnership Act was first adopted by the National Conference of Commissioners on State Laws in 1914 and has provided the basic law governing partnerships in the United States since that time. Nevada has adopted the Uniform Partnership Act, which is currently codified as Chapter 87 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 allows an existing partnership or a future partnership to elect to be governed by the provisions of the existing Act or the provisions of the Act, as revised by the bill.

The nature of a partnership under the existing Act is somewhat of a hybrid between an aggregate of partners and a separate legal entity. The revised Act establishes a partnership as a separate legal entity, and not merely as an aggregate of partners.

The existing Act provides that the existing Act operates as a default in the event that there is no express provision in the partnership agreement, while the revised Act expressly recognizes the primacy of the partnership agreement over statute, including the revised Act itself. The agreement controls and the rules of the revised 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.

The existing Act requires partners to provide full disclosure to each other. The revised Act 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.

The existing Act 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. The revised Act 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.

The revised Act also makes various other changes recommended by the Uniform Law Commissioners and technical changes to carry out the recommendations.

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 1.1 to 65, inclusive, of this act.

Sec. 1.1. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 1.2 to 1.8, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 1.2. *“Business” includes every business, trade and occupation.*

Sec. 1.3. *“Professional service” means any type of personal service that may legally be performed only pursuant to a license or certificate of registration.*

Sec. 1.4. *“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. 1.5. *“Sign” means to affix a signature to a record.*

Sec. 1.6. *“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. 1.7. *“State” means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any territory or insular possession subject to the jurisdiction of the United States.*

Sec. 1.8. *“Street address” of a resident agent means the actual physical location in this State at which a resident agent is available for service of process.*

Sec. 1.9. *The provisions of NRS 87.010 to 87.430, inclusive, apply to a partnership:*

1. Which was formed before July 1, 2006, and which does not voluntarily elect to be governed by the provisions of sections 2 to 65, inclusive, of this act; or

2. Which is formed on or after July 1, 2006, and which voluntarily elects to be governed by the provisions of NRS 87.010 to 87.430, inclusive.

Sec. 2. *Sections 2 to 65, inclusive, of this act may be cited as the Uniform Partnership Act (1997).*

Sec. 3. *As used in sections 2 to 65, inclusive, of this act, 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. (Deleted by amendment.)

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.*

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

Sec. 7. (Deleted by amendment.)

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

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

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

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

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

Sec. 13. (Deleted by amendment.)

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

Sec. 15. (Deleted by amendment.)

Sec. 16. *“Registered limited-liability partnership” means a partnership formed pursuant to an agreement governed by sections 2 to 65, inclusive, of this act for the purpose of rendering a professional service and registered pursuant to and complying with NRS 87.440 to 87.560, inclusive.*

Secs. 17-19. (Deleted by amendment.)

Sec. 20. *“Statement” means:*

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

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

3. *A statement of dissociation under section 57 of this act;*
4. *A statement of dissolution under section 63 of this act; or*
5. *An amendment or cancellation of any of the statements set forth in subsections 1 to 4, inclusive.*

Sec. 21. (Deleted by amendment.)

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

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

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

- (a) *Knows of it;*
- (b) *Has received a notification of it; or*
- (c) *Has reason to know it exists from all of the facts known to the person at the time in question.*

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

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

- (a) *Comes to the person’s attention; or*
- (b) *Is duly delivered at the person’s place of business or at any other place held out by the person as a place for receiving communications.*

5. *Except as otherwise provided in subsection 6, a person other than a natural person knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the natural person conducting the transaction knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the natural person’s attention if the person had exercised reasonable diligence. The person exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the natural person conducting the transaction and there is reasonable compliance with the routines. Reasonable diligence does not require a natural person acting for the person to communicate information unless the communication is part of the natural person’s regular duties or the natural person has reason to know of the transaction and that the transaction would be materially affected by the information.*

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

Sec. 23.5. *The provisions of sections 2 to 65, inclusive, of this act apply to a partnership:*

1. *Which was formed before July 1, 2006; or*

2. Which is formed on or after July 1, 2006,
↪ and which voluntarily elects to be governed by the provisions of sections 2 to 65, inclusive, of this act.

Sec. 24. 1. Except as otherwise provided in subsection 2, relations among the partners and between the partners and the partnership are governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, sections 2 to 65, inclusive, of this act, govern relations among the partners and between the partners and the partnership.

2. The partnership agreement may not:

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

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

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

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

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

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

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

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

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

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

(i) Vary the law applicable to a registered limited-liability partnership pursuant to NRS 87.560; or

(j) Restrict rights of third parties pursuant to sections 2 to 65, inclusive, of this act.

Sec. 25. 1. Unless displaced by particular provisions of sections 2 to 65, inclusive, of this act, the principles of law and

equity supplement the provisions of sections 2 to 65, inclusive, of this act.

2. If an obligation to pay interest arises pursuant to sections 2 to 65, inclusive, of this act and the rate is not specified, the rate is that specified in NRS 99.040.

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

2. A certified copy of a statement that has been filed in the Office of the Secretary of State and recorded in the office of the applicable county recorder has the effect provided for recorded statements in sections 2 to 65, inclusive, of this act. A recorded statement that is not a certified copy of a statement filed in the Office of the Secretary of State does not have the effect provided for recorded statements in sections 2 to 65, inclusive, of this act.

3. A statement filed by a partnership must be executed by at least two partners. Other statements must be executed by a partner or other person authorized by sections 2 to 65, inclusive, of this act. A natural person who executes a statement as, or on behalf of, a partner or other person named as a partner in a statement shall personally declare under penalty of perjury that the contents of the statement are accurate.

4. A person authorized by sections 2 to 65, inclusive, of this act to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement and states the substance of the amendment or cancellation.

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

Sec. 27. *Except as otherwise provided in NRS 87.560, the law of the jurisdiction in which a partnership has its chief executive office governs relations among the partners and between the partners and the partnership.*

Sec. 28. *A partnership governed by sections 2 to 65, inclusive, of this act is subject to any amendment to or repeal of this chapter.*

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

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

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

2. An association formed under a statute other than sections 2 to 65, inclusive, of this act, a predecessor statute or a comparable statute of another jurisdiction is not a partnership under sections 2 to 65, inclusive, of this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. A partnership may not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection 2, from any earlier transferee of the property.

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

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

(a) Must include:

(1) The name of the partnership;

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

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

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

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

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

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

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

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

(b) *A grant of authority to transfer real property held in the name of the partnership contained in a certified copy of a filed statement of partnership authority recorded in the office for recording transfers of that real property is conclusive in favor of a person who gives value without knowledge to the contrary, so long as and to the extent that a certified copy of a filed statement containing a limitation on that authority is not then of record in the office for recording transfers of that real property. The recording in the office for recording transfers of that real property of a certified copy of a filed cancellation of a limitation on authority revives the previous grant of authority.*

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

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

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

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

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

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

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

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

3. An obligation of a partnership incurred while the partnership is a registered limited-liability partnership, whether arising in contract, tort or otherwise, is solely the obligation of the partnership. A partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or so acting as a partner. This subsection applies notwithstanding anything inconsistent in the partnership agreement that existed immediately before the filing of a certificate of registration pursuant to NRS 87.440.

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

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

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

4. A judgment creditor of a partner may not levy execution against the assets of the partner to satisfy a judgment based on a

claim against the partnership unless the partner is personally liable for the claim under section 38 of this act and:

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

(b) The partnership is a debtor in bankruptcy;

(c) The partner has agreed that the creditor need not exhaust partnership assets;

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

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

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

Sec. 40. *1. If a person, by words or conduct, purports to be a partner, or consents to being represented by another as a partner, in a partnership or with one or more persons not partners, the purported partner is liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership. If the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner is liable with respect to that liability as if the purported partner were a partner. If no partnership liability results, the purported partner is liable with respect to that liability jointly and severally with any other person consenting to the representation.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Without demand, any information concerning the partnership's business and affairs reasonably required for the proper exercise of the partner's rights and duties under the partnership agreement or sections 2 to 65, inclusive, of this act; and

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

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

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

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

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

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

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

4. A partner shall discharge the duties to the partnership and the other partners under sections 2 to 65, inclusive, of this act or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

5. A partner does not violate a duty or obligation under sections 2 to 65, inclusive, of this act or under the partnership agreement merely because the partner's conduct furthers the partner's own interest.

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

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

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

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

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

(b) Enforce the partner's rights under sections 2 to 65, inclusive, of this act, including:

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

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

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

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

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

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

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

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

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

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

(a) Is permissible;

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) *By the judgment debtor;*

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

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

4. *Sections 2 to 65, inclusive, of this act does not deprive a partner of a right under exemption laws with respect to the partner's interest in the partnership.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. *The partner's:*

(a) *Becoming a debtor in bankruptcy;*

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

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

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

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

(a) *The partner's death;*

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

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

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

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

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

Sec. 52. 1. *A partner has the power to dissociate at any time, rightfully or wrongfully, by express will pursuant to 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 be purchased for a buyout price determined pursuant to subsection 2.

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

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

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

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

6. If a deferred payment is authorized under subsection 8, the partnership may tender a written offer to pay the amount it estimates to be the buyout price and accrued interest, reduced by

any offsets under subsection 3, stating the time of payment, the amount and type of security for payment and the other terms and conditions of the obligation.

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

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

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

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

(d) Written notice that the payment is in full satisfaction of the obligation to purchase unless, within 120 days after the written notice, the dissociated partner commences an action to determine the buyout price, any offsets under subsection 3 or other terms of the obligation to purchase.

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

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

Sec. 55. *1. For 2 years after a partner dissociates without resulting in a dissolution and winding up of the partnership*

business, the partnership is bound by an act of the dissociated partner which would have bound the partnership under section 33 of this act before dissociation only if at the time of entering into the transaction the other party:

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

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

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

2. A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection 1.

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

2. A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, within 2 years after the partner's dissociation, only if the partner is liable for the obligation under section 38 of this act and at the time of entering into the transaction the other party:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer; or

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

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

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

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

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

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

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

3. A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to section 65 of

this act, settle disputes by mediation or arbitration, and perform other necessary acts.

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

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

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

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

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

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

Sec. 66. NRS 87.010 is hereby amended to read as follows:

87.010 ~~[This chapter]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* may be cited as the Uniform Partnership Act.

Sec. 67. NRS 87.020 is hereby amended to read as follows:

87.020 As used in ~~[this chapter,]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act*, unless the context otherwise requires:

1. "Bankrupt" includes bankrupt under the Federal Bankruptcy Act or insolvent under any state insolvent act.

2. ~~["Business" includes every trade, occupation or profession. —3.]~~ "Conveyance" includes every assignment, lease, mortgage or encumbrance.

~~[4.]~~ 3. "Court" includes every court and judge having jurisdiction in the case.

~~[5. “Professional service” means any type of personal service which may legally be performed only pursuant to a license or certificate of registration.~~

~~—6.] 4. “Real property” includes land and any interest or estate in land.~~

~~[7. “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.~~

~~—8.] 5. “Registered limited-liability partnership” means a partnership formed pursuant to an agreement governed by [this chapter] *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* for the purpose of rendering a professional service and registered pursuant to and complying with NRS 87.440 to 87.560, inclusive.~~

~~[9. “Sign” means to affix a signature to a record.~~

~~—10. “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.~~

~~—11. “Street address” of a resident agent means the actual physical location in this State at which a resident agent is available for service of process.]~~

Sec. 68. NRS 87.030 is hereby amended to read as follows:

87.030 1. A person has “knowledge” of a fact within the meaning of ~~[this chapter]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* not only when he has actual knowledge thereof, but also when he has knowledge of such other facts as in the circumstances shows bad faith.

2. A person has “notice” of a fact within the meaning of ~~[this chapter]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* when the person who claims the benefit of the notice:

(a) States the fact to such person, or

(b) Delivers through the mail, or by other means of communication, a written statement of the fact to such person or to a proper person at his place of business or residence.

Sec. 69. NRS 87.040 is hereby amended to read as follows:

87.040 1. The rule that statutes in derogation of the common law are to be strictly construed ~~[shall have]~~ *has* no application to ~~[this chapter.]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act.*

2. The law of estoppel ~~[shall apply under this chapter.]~~ *applies to NRS 87.010 to 87.430, inclusive, and section 1.9 of this act.*

3. The law of agency ~~[shall apply under this chapter.]~~

~~—4. This chapter shall be so]~~ *applies to NRS 87.010 to 87.430, inclusive, and section 1.9 of this act.*

4. *The Uniform Partnership Act must be* interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

5. ~~[This chapter]~~ *The provisions of NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* shall not be construed so as to impair the obligations of any contract existing on July 1, 1931, nor to affect any action or proceedings begun or right accrued before July 1, 1931.

Sec. 70. NRS 87.050 is hereby amended to read as follows:

87.050 In any case not provided for in ~~[this chapter]~~ ***NRS 87.010 to 87.430, inclusive, and section 1.9 of this act***, the rules of law and equity, including the law merchant, ~~[shall]~~ govern.

Sec. 71. NRS 87.060 is hereby amended to read as follows:

87.060 1. Except as otherwise provided in subsection 2, a partnership is an association of two or more persons to carry on as co-owners a business for profit, and includes a registered limited-liability partnership.

2. Any association formed under any other statute of this State, or any statute adopted by authority, other than the authority of this State, is not a partnership under ~~[this chapter,]~~ ***NRS 87.010 to 87.430, inclusive, and section 1.9 of this act***, unless the association would have been a partnership in this State before July 1, 1931. ~~[This chapter applies]~~ ***The provisions of NRS 87.010 to 87.430, inclusive, and section 1.9 of this act apply*** to limited partnerships except in so far as the statutes relating to such partnerships are inconsistent with it.

Sec. 72. NRS 87.110 is hereby amended to read as follows:

87.110 An admission or representation made by any partner concerning partnership affairs within the scope of his authority as conferred by ~~[this chapter]~~ ***NRS 87.010 to 87.430, inclusive, and section 1.9 of this act*** is evidence against the partnership.

Sec. 73. NRS 87.250 is hereby amended to read as follows:

87.250 1. A partner is co-owner with his partners of specific partnership property holding as a tenant in partnership.

2. The incidents of this tenancy are such that:

(a) A partner, subject to the provisions of ~~[this chapter]~~ ***NRS 87.010 to 87.430, inclusive, and section 1.9 of this act*** and to any agreement between the partners, has an equal right with his partners to possess specific partnership property for partnership purposes; but he has no right to possess such property for any other purpose without the consent of his partners.

(b) A partner's right in specific partnership property is not assignable except in connection with the assignment of rights of all the partners in the same property.

(c) A partner's right in specific partnership property is not subject to attachment or execution, except on a claim against the

partnership. When partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws.

(d) On the death of a partner his right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when his right in such property vests in his legal representative. Such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose.

(e) A partner's right in specific partnership property is not subject to dower, curtesy, or allowances to widows, heirs or next of kin.

Sec. 74. NRS 87.280 is hereby amended to read as follows:

87.280 1. On due application to a competent court by any judgment creditor of a partner, the court which entered the judgment, order, or decree, or any other court, may charge the interest of the debtor partner with payment of the unsatisfied amount of such judgment debt with interest thereon; and may then or later appoint a receiver of his share of the profits, and of any other money due or to fall due to him in respect of the partnership, and make all other orders, directions, accounts and inquiries which the debtor partner might have made, or which the circumstances of the case may require.

2. The interest charged may be redeemed at any time before foreclosure, or in case of a sale being directed by the court may be purchased without thereby causing a dissolution:

(a) With separate property, by any one or more of the partners; or

(b) With partnership property, by any one or more of the partners with the consent of all the partners whose interests are not so charged or sold.

3. Nothing in ~~[this chapter]~~ *the provisions of NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* shall be held to deprive a partner of his right, if any, under the exemption laws, as regards his interest in the partnership.

Sec. 75. NRS 88.635 is hereby amended to read as follows:

88.635 In any case not provided for in this chapter, the provisions of ~~[chapter 87 of]~~ *NRS 87.010 to 87.430, inclusive, and section 1.9 of this act* govern.

Sec. 76. NRS 89.200 is hereby amended to read as follows:

89.200 The provisions of chapter 87 of NRS ~~[(Uniform Partnership Act)]~~ do not apply to professional associations.

Sec. 77. The amendatory provisions of this act do not affect an action or proceeding commenced or right accrued before July 1, 2006.

Sec. 78. If a partnership formed before July 1, 2006, voluntarily elects to be governed by the provisions of sections 2 to 65, inclusive, of this act, the provisions of sections 2 to 65, inclusive, of this act 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 provisions of sections 2 to 65, inclusive, of this act only if the third party knows or has received a notification of the partnership's election to be governed by the provisions of sections 2 to 65, inclusive, of this act.

Sec. 79. This act becomes effective on July 1, 2006.