



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

March 31, 2004

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 2347, an Act relating to the Uniform Limited Partnership Act and providing a penalty and effective dates.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 2347

AN ACT

RELATING TO THE UNIFORM LIMITED PARTNERSHIP ACT AND PROVIDING
A PENALTY AND EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

ARTICLE I

GENERAL PROVISIONS

Section 1. NEW SECTION. 488.101 SHORT TITLE.

This chapter may be cited as the "Uniform Limited Partnership Act".

Sec. 2. NEW SECTION. 488.102 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Certificate of limited partnership" means the certificate required by section 488.201. The term includes the certificate as amended or restated.

2. "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.

3. "Debtor in bankruptcy" means a person that is the subject of either of the following:

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

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

4. "Deliver", "delivery", or "delivered" means any method of delivery used in conventional commercial practice, including delivery in person, by mail, commercial delivery, and electronic transmission.

5. "Designated office" means:

a. With respect to a limited partnership, the office that the limited partnership is required to designate and maintain under section 488.114.

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

6. "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.

7. "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

8. "Foreign limited liability limited partnership" means a foreign limited partnership whose general partners have limited liability for the obligations of the foreign limited partnership under a provision similar to section 488.404, subsection 3.

9. "Foreign limited partnership" means a partnership formed under the laws of a jurisdiction other than Iowa 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.

10. "General partner" means:

a. With respect to a limited partnership, a person that is either of the following:

(1) A person that becomes a general partner under section 488.401.

(2) A person that was a general partner in a limited partnership when the limited partnership became subject to this chapter under section 488.1206, subsection 1 or 2.

b. 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.

11. "Limited liability limited partnership", except in the phrase "foreign limited liability limited partnership", means a limited partnership whose certificate of limited partnership states that the limited partnership is a limited liability limited partnership.

12. "Limited partner" means:

a. With respect to a limited partnership, a person that is either of the following:

(1) A person that becomes a limited partner under section 488.301.

(2) A person that was a limited partner in a limited partnership when the limited partnership became subject to this chapter under section 488.1206, subsection 1 or 2.

b. 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.

13. "Limited partnership", except in the phrases "foreign limited partnership" and "foreign limited liability limited partnership", means an entity, having one or more general partners and one or more limited partners, which is formed under this chapter by two or more persons or becomes subject to this chapter under article 11 or section 488.1206, subsection 1 or 2. The term includes a limited liability limited partnership.

14. "Partner" means a limited partner or general partner.

15. "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.

16. "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

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

18. "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.

19. "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.

20. "Required information" means the information that a limited partnership is required to maintain under section 488.111.

21. "Sign" means either of the following:

a. To execute or adopt a tangible symbol with the present intent to authenticate a record.

b. To attach or logically associate an electronic symbol, sound, or process to or with a record with the present intent to authenticate the record.

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

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

24. "Transferable interest" means a partner's right to receive distributions.

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

Sec. 3. NEW SECTION. 488.103 KNOWLEDGE AND NOTICE.

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

2. A person has notice of a fact if any of the following apply:

a. The person knows of it.

b. The person has received a notification of it.

c. The person has reason to know it exists from all of the facts known to the person at the time in question.

d. The person has notice of it under subsection 3 or 4.

3. A certificate of limited partnership on file in the office of the secretary of state is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners. Except as otherwise provided in subsection 4, the certificate is not notice of any other fact.

4. A person has notice of any of the following:

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

b. A limited partnership's dissolution, ninety days after the effective date of an amendment to the certificate of limited partnership stating that the limited partnership is dissolved.

c. A limited partnership's termination, ninety days after the effective date of a statement of termination.

d. A limited partnership's conversion under article 11, ninety days after the effective date of the articles of conversion.

e. A merger under article 11, ninety days after the effective date of the articles of merger.

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

6. A person receives a notification when either of the following applies:

a. Notification comes to the person's attention.

b. Notification is delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.

7. Except as otherwise provided in subsection 8, a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the person knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual exercises reasonable diligence if the person maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

8. A general partner's knowledge, notice, or receipt of a notification of a fact relating to the limited partnership is

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

Sec. 4. NEW SECTION. 488.104 NATURE, PURPOSE, AND DURATION OF ENTITY.

1. A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.

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

3. A limited partnership has a perpetual duration.

Sec. 5. NEW SECTION. 488.105 POWERS.

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

Sec. 6. NEW SECTION. 488.106 GOVERNING LAW.

The law of this state governs relations among the partners of a limited partnership and between the partners and the limited partnership and the liability of partners as partners for an obligation of the limited partnership.

Sec. 7. NEW SECTION. 488.107 SUPPLEMENTAL PRINCIPLES OF LAW -- RATE OF INTEREST.

1. Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

2. If an obligation to pay interest arises under this chapter and the rate is not specified, the rate shall be set according to the provisions of section 535.3.

Sec. 8. NEW SECTION. 488.108 NAME.

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

2. The name of a limited partnership that is not a limited liability limited partnership must contain the phrase "limited partnership" or the abbreviation "L.P." or "LP" and must not contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P."

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

4. Unless authorized by subsection 5, the name of a limited partnership must be distinguishable in the records of the secretary of state from all of the following:

a. The name of each person other than an individual incorporated, organized, or authorized to transact business in this state.

b. Each name reserved under section 488.109, or under sections 486A.1001, 490.401, 490.402, 490A.401, 490A.402, 504A.6, 504A.7, and 547.1.

5. A limited partnership may apply to the secretary of state for authorization to use a name that does not comply with subsection 4. The secretary of state shall authorize use of the name applied for if, as to each conflicting name, at least one of the following applies:

a. The present user, registrant, or owner of the conflicting name consents in a signed record to the use and submits an undertaking in a form satisfactory to the secretary of state to change the conflicting name to a name that complies with subsection 4 and is distinguishable in the records of the secretary of state from the name applied for.

b. The applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

c. The applicant delivers to the secretary of state proof satisfactory to the secretary of state that at least one of the following applies to the present user, registrant, or owner of the conflicting name:

(1) The present user, registrant, or owner of the conflicting name has merged into the applicant.

(2) The present user, registrant, or owner of the conflicting name has been converted into the applicant.

(3) The present user, registrant, or owner of the conflicting name has transferred substantially all of its assets, including the conflicting name, to the applicant.

6. Subject to section 488.905, this section applies to any foreign limited partnership transacting business in this state, having a certificate of authority to transact business in this state, or applying for a certificate of authority.

Sec. 9. NEW SECTION. 488.109 RESERVATION OF NAME.

1. The exclusive right to the use of a name that complies with section 488.108 may be reserved by any of the following:

a. A person intending to organize a limited partnership under this chapter and to adopt the name.

b. A limited partnership or a foreign limited partnership authorized to transact business in this state intending to adopt the name.

c. A foreign limited partnership intending to obtain a certificate of authority to transact business in this state and adopt the name.

d. A person intending to organize a foreign limited partnership and intending to have it obtain a certificate of authority to transact business in this state and adopt the name.

e. A foreign limited partnership formed under the name.

f. A foreign limited partnership formed under a name that does not comply with section 488.108, subsection 2 or 3, but the name reserved under this paragraph may differ from the foreign limited partnership's name only to the extent necessary to comply with section 488.108, subsections 2 and 3.

2. A person may apply to reserve a name under subsection 1 by delivering to the secretary of state for filing an application that states the name to be reserved and the paragraph of subsection 1 that applies. If the secretary of state finds that the name is available for use by the applicant, the secretary of state shall file a statement of name reservation and reserve the name for the exclusive use of the applicant for a nonrenewable period of one hundred twenty days.

3. A person that has reserved a name under this section may deliver to the secretary of state for filing a notice of transfer that states the reserved name, the name and street and mailing address of some other person to which the

reservation is to be transferred, and the paragraph of subsection 1 which applies to the other person. Subject to section 488.206, subsection 3, the transfer is effective when the secretary of state files the notice of transfer.

Sec. 10. NEW SECTION. 488.110 EFFECT OF PARTNERSHIP AGREEMENT -- NONWAIVABLE PROVISIONS.

1. Except as otherwise provided in subsection 2, the partnership agreement governs relations among the partners and between the partners and the partnership. To the extent the partnership agreement does not otherwise provide, this chapter governs relations among the partners and between the partners and the partnership.

2. A partnership agreement shall not do any of the following:

a. Vary a limited partnership's power under section 488.105 to sue, be sued, and defend in its own name.

b. Vary the law applicable to a limited partnership under section 488.106.

c. Vary the requirements of section 488.204.

d. Vary the information required under section 488.111 or unreasonably restrict the right to information under section 488.304 or 488.407, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use.

e. Eliminate the duty of loyalty under section 488.408, but the partnership agreement may do any of the following:

(1) Identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable.

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

f. Unreasonably reduce the duty of care under section 488.408, subsection 3.

g. Eliminate the obligation of good faith and fair dealing under section 488.305, subsection 2, and section 488.408, subsection 4, 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.

h. Vary the power of a person to dissociate as a general partner under section 488.604, subsection 1, except to require that the notice under section 488.603, subsection 1, be in a record.

i. Vary the power of a court to decree dissolution in the circumstances specified in section 488.802.

j. Vary the requirement to wind up the partnership's business as specified in section 488.803.

k. Unreasonably restrict the right to maintain an action under article 10.

l. Restrict the right of a partner under section 488.1110, subsection 1, to approve a conversion or merger, or the right of a general partner under section 488.1110, subsection 2, to consent to an amendment to the certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership.

m. Restrict rights under this chapter of a person other than a partner or a transferee.

Sec. 11. NEW SECTION. 488.111 REQUIRED INFORMATION.

A limited partnership shall maintain at its designated office all of the following information:

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

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

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

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

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

6. A copy of any financial statement of the limited partnership for the three most recent years.

7. A copy of the three most recent biennial reports delivered by the limited partnership to the secretary of state pursuant to section 488.210.

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

9. Unless contained in a partnership agreement made in a record, a record stating all of the following:

a. The amount of cash, and a description and statement of the agreed value of the other benefits, contributed and agreed to be contributed by each partner.

b. The times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made.

c. For any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity.

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

Sec. 12. NEW SECTION. 488.112 BUSINESS TRANSACTIONS OF PARTNER WITH PARTNERSHIP.

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

Sec. 13. NEW SECTION. 488.113 DUAL CAPACITY.

A person may be both a general partner and a limited partner. A person that is both a general and limited partner has the rights, powers, duties, and obligations provided by this chapter and the partnership agreement in each of those capacities. When the person acts as a general partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for general partners. When the person acts as a limited partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for limited partners.

Sec. 14. NEW SECTION. 488.114 OFFICE AND AGENT FOR SERVICE OF PROCESS.

1. A limited partnership shall designate and continuously maintain in this state both of the following:

a. An office, which need not be a place of its activity in this state.

b. An agent for service of process.

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

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

Sec. 15. NEW SECTION. 488.115 CHANGE OF DESIGNATED OFFICE OR AGENT FOR SERVICE OF PROCESS.

1. In order to change its designated office, agent for service of process, or the address of its agent for service of process, a limited partnership or a foreign limited partnership may deliver to the secretary of state for filing a statement of change containing all of the following:

a. The name of the limited partnership or foreign limited partnership.

b. The street and mailing address of its current designated office.

c. If the current designated office is to be changed, the street and mailing address of the new designated office.

d. The name and street and mailing address of its current agent for service of process.

e. If the current agent for service of process or an address of the agent is to be changed, the new information.

2. Subject to section 488.206, subsection 3, a statement of change is effective when filed by the secretary of state.

Sec. 16. NEW SECTION. 488.116 RESIGNATION OF AGENT FOR SERVICE OF PROCESS.

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

2. After receiving a statement of resignation, the secretary of state shall file it and mail a copy to the designated office of the limited partnership or foreign limited partnership and another copy to the principal office if the address of the office appears in the records of the secretary of state and is different from the address of the designated office.

3. An agency for service of process is terminated on the date on which the statement of resignation was filed with the secretary of state.

Sec. 17. NEW SECTION. 488.117 SERVICE OF PROCESS.

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

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

3. Service of any process, notice, or demand on the secretary of state may be made by delivering to and leaving with the secretary of state duplicate copies of the process, notice, or demand. If a process, notice, or demand is served on the secretary of state, the secretary of state shall forward one of the copies by certified mail or restricted certified mail to the limited partnership or foreign limited partnership at its designated office.

4. Service is effected under subsection 3 at the earliest of any of the following:

a. The date the limited partnership or foreign limited partnership receives the process, notice, or demand.

b. The date shown on the return receipt, if signed on behalf of the limited partnership or foreign limited partnership.

c. Five days after the process, notice, or demand is deposited in the mail, if mailed postpaid and correctly addressed.

5. The secretary of state shall keep a record of each process, notice, and demand served pursuant to this section and record the time of, and the action taken regarding, the service.

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

Sec. 18. NEW SECTION. 488.118 CONSENT AND PROXIES OF PARTNERS.

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

ARTICLE II

FORMATION -- CERTIFICATE OF LIMITED PARTNERSHIP
AND OTHER FILINGS

Sec. 19. NEW SECTION. 488.201 FORMATION OF LIMITED PARTNERSHIP -- CERTIFICATE OF LIMITED PARTNERSHIP.

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

a. The name of the limited partnership, which must comply with section 488.108.

b. The street and mailing address of the initial designated office and the name and street and mailing address of the initial agent for service of process.

c. The name and the street and mailing address of each general partner.

d. Whether the limited partnership is a limited liability limited partnership.

e. Any additional information required by article 11.

2. A certificate of limited partnership may also contain any other matters but shall not vary or otherwise affect the provisions specified in section 488.110, subsection 2, in a manner inconsistent with that subsection.

3. If there has been substantial compliance with subsection 1, subject to section 488.206, subsection 3, a limited partnership is formed when the secretary of state files the certificate of limited partnership. The secretary of state's filing of the certificate is conclusive proof that all conditions precedent to formation of the limited partnership have been satisfied except in a proceeding by the state to cancel or revoke the certificate or involuntarily dissolve the limited partnership.

4. Subject to subsection 2, if any provision of a partnership agreement is inconsistent with the filed

certificate of limited partnership or with a filed statement of dissociation, termination, or change or filed articles of conversion or merger, all of the following apply:

a. The partnership agreement prevails as to partners and transferees.

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

Sec. 20. NEW SECTION. 488.202 AMENDMENT OR RESTATEMENT OF CERTIFICATE.

1. In order to amend its certificate of limited partnership, a limited partnership must deliver to the secretary of state for filing an amendment or, pursuant to article 11, articles of merger stating all of the following:

a. The name of the limited partnership.

b. The date of filing of its initial certificate.

c. The changes the amendment makes to the certificate as most recently amended or restated.

2. A limited partnership shall promptly deliver to the secretary of state for filing an amendment to a certificate of limited partnership to reflect any of the following:

a. The admission of a new general partner.

b. The dissociation of a person as a general partner.

c. The appointment of a person to wind up the limited partnership's activities under section 488.803, subsection 3 or 4.

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

a. Cause the certificate to be amended.

b. If appropriate, deliver to the secretary of state for filing a statement of change pursuant to section 488.115 or a statement of correction pursuant to section 488.207.

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

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

6. Subject to section 488.206, subsection 3, an amendment or restated certificate is effective when filed by the secretary of state.

Sec. 21. NEW SECTION. 488.203 STATEMENT OF TERMINATION.

A dissolved limited partnership that has completed winding up may deliver to the secretary of state for filing a statement of termination that states all of the following:

1. The name of the limited partnership.
2. The date of filing of its initial certificate of limited partnership.
3. Any other information as determined by the general partners filing the statement or by a person appointed pursuant to section 488.803, subsection 3 or 4.

Sec. 22. NEW SECTION. 488.204 SIGNING OF RECORDS.

1. Each record delivered to the secretary of state for filing pursuant to this chapter must be signed in the following manner:

a. An initial certificate of limited partnership must be signed by all general partners listed in the certificate.

b. An amendment adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate.

c. An amendment designating as general partner a person admitted under section 488.801, subsection 3, paragraph "b", following the dissociation of a limited partnership's last general partner must be signed by the new general partner.

d. An amendment required by section 488.803, subsection 3, following the appointment of a person to wind up the dissolved limited partnership's activities must be signed by that person.

e. Any other amendment must be signed by all of the following:

(1) At least one general partner listed in the certificate.

(2) Each other person designated in the amendment as a new general partner.

(3) Each person that the amendment indicates has dissociated as a general partner, unless any of the following applies:

(a) The person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states.

(b) The person has previously delivered to the secretary of state for filing a statement of dissociation.

f. A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate must be signed in a manner that satisfies that paragraph.

g. A statement of termination must be signed by all general partners listed in the certificate or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to section 488.803, subsection 3 or 4, to wind up the dissolved limited partnership's activities.

h. Articles of conversion must be signed by each general partner listed in the certificate of limited partnership.

i. Articles of merger must be signed as provided in section 488.1108, subsection 1.

j. Any other record delivered on behalf of a limited partnership to the secretary of state for filing must be signed by at least one general partner listed in the certificate.

k. A statement by a person pursuant to section 488.605, subsection 1, paragraph "d", stating that the person has dissociated as a general partner must be signed by that person.

l. A statement of withdrawal by a person pursuant to section 488.306 must be signed by that person.

m. A record delivered on behalf of a foreign limited partnership to the secretary of state for filing must be signed by at least one general partner of the foreign limited partnership.

n. Any other record delivered on behalf of any person to the secretary of state for filing must be signed by that person.

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

Sec. 23. NEW SECTION. 488.205 SIGNING AND FILING
PURSUANT TO JUDICIAL ORDER.

1. If a person required by this chapter to sign a record or deliver a record to the secretary of state for filing does not do so, any other person that is aggrieved may petition the appropriate court to order any of the following:

- a. The person to sign the record.
- b. The person to deliver the record to the secretary of state for filing.
- c. The secretary of state to file the record unsigned.

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

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

Sec. 24. NEW SECTION. 488.206 DELIVERY TO AND FILING OF
RECORDS BY SECRETARY OF STATE -- EFFECTIVE TIME AND DATE.

1. A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, contain the information required by this chapter but may include other information as well, and be in a medium permitted by the secretary of state. The document must be typewritten or printed. If the document is electronically transmitted, it must be in a format that can be retrieved or reproduced in typewritten or printed form. The document must be delivered to the office of the secretary of state for filing. Delivery may be made by electronic transmission if and to the extent permitted by the secretary of state. The secretary of state may adopt rules for the electronic filing of documents and the certification of electronically filed documents. If it is filed in typewritten or printed form and not transmitted electronically, the secretary of state may require an exact or conformed copy to be delivered with the document. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if all filing fees have been paid, the secretary of state shall file the record and perform all of the following:

a. For a statement of dissociation, send all of the following:

(1) A copy of the filed statement and a receipt for the fees to the person which the statement indicates has dissociated as a general partner.

(2) A copy of the filed statement and receipt to the limited partnership.

b. For a statement of withdrawal, send all of the following:

(1) A copy of the filed statement and a receipt for the fees to the person on whose behalf the record was filed.

(2) If the statement refers to an existing limited partnership, a copy of the filed statement and receipt to the limited partnership.

c. For all other records, send a copy of the filed record and a receipt for the fees to the person on whose behalf the record was filed.

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

3. Except as otherwise provided in sections 488.116 and 488.207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective according to the following:

a. If the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed, as evidenced by the secretary of state's endorsement of the date and time on the record.

b. If the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record.

c. If the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of either of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

d. If the record specifies an effective time and a delayed effective date, at the specified time on the earlier of either of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

4. If the secretary of state refuses to file a document, the secretary of state shall return it to the limited partnership or foreign limited partnership or its representative, together with a brief, written explanation of the reason for the refusal.

5. The secretary of state's duty to file documents under this section is ministerial. Filing or refusing to file a document does not do any of the following:

a. Affect the validity or invalidity of the document in whole or part.

b. Relate to the correctness or incorrectness of information contained in the document.

c. Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

Sec. 25. NEW SECTION. 488.207 CORRECTING FILED RECORD.

1. A limited partnership or foreign limited partnership may deliver to the secretary of state for filing a statement of correction to correct a record previously delivered by the limited partnership or foreign limited partnership to the secretary of state and filed by the secretary of state, if at the time of filing the record contained false or erroneous information or was defectively signed.

2. A statement of correction shall not state a delayed effective date and must do all of the following:

a. Describe the record to be corrected, including its filing date, or attach a copy of the record as filed.

b. Specify the incorrect information and the reason it is incorrect or the manner in which the signing was defective.

c. Correct the incorrect information or defective signature.

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

a. For the purposes of section 488.103, subsections 3 and 4.

b. As to persons relying on the uncorrected record and adversely affected by the correction.

Sec. 26. NEW SECTION. 488.208 LIABILITY FOR FALSE INFORMATION IN FILED RECORD.

1. If a record delivered to the secretary of state for filing under this chapter and filed by the secretary of state contains false information, a person that suffers loss by reliance on the information may recover damages for the loss from any or all of the following:

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

b. A general partner that has notice that the information was false when the record was filed or has become false because of changed circumstances, if the general partner has notice for a reasonably sufficient time before the information is relied upon to enable the general partner to effect an amendment under section 488.202, file a petition pursuant to section 488.205, or deliver to the secretary of state for filing a statement of change pursuant to section 488.115 or a statement of correction pursuant to section 488.207.

2. Signing a record authorized or required to be filed under this chapter that the signer knows to be false in material respect constitutes a serious misdemeanor punishable by a fine not to exceed one thousand dollars.

Sec. 27. NEW SECTION. 488.209 CERTIFICATE OF EXISTENCE OR AUTHORIZATION.

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

a. The limited partnership's name.

b. That it was duly formed under the laws of this state and the date of formation.

c. Whether all fees, taxes, and penalties under this chapter or other law due to the secretary of state have been paid.

d. Whether the limited partnership's most recent biennial report required by section 488.210 has been filed by the secretary of state.

e. Whether the secretary of state has administratively dissolved the limited partnership.

f. Whether the limited partnership's certificate of limited partnership has been amended to state that the limited partnership is dissolved.

g. That a statement of termination has not been filed by the secretary of state.

h. Other facts of record in the office of the secretary of state which may be requested by the applicant.

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

a. The foreign limited partnership's name and any alternate name adopted under section 488.905, subsection 1, for use in this state.

b. That it is authorized to transact business in this state.

c. Whether all fees, taxes, and penalties under this chapter or other law due to the secretary of state have been paid.

d. Whether the foreign limited partnership's most recent biennial report required by section 488.210 has been filed by the secretary of state.

e. That the secretary of state has not revoked its certificate of authority and has not filed a notice of cancellation.

f. Other facts of record in the office of the secretary of state which may be requested by the applicant.

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

Sec. 28. NEW SECTION. 488.210 BIENNIAL REPORT FOR SECRETARY OF STATE.

1. A limited partnership or a foreign limited partnership authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that states all of the following:

a. The name of the limited partnership or foreign limited partnership.

b. The street and mailing address of its designated office and the name and street and mailing address of its agent for service of process in this state.

c. In the case of a limited partnership, the street and mailing address of its principal office.

d. In the case of a foreign limited partnership, the state or other jurisdiction under whose law the foreign limited partnership is formed and any alternate name adopted under section 488.905, subsection 1.

2. Information in a biennial report must be current as of the date the biennial report is delivered to the secretary of state for filing.

3. If a biennial report does not contain the information required in subsection 1, the secretary of state shall promptly notify the reporting limited partnership or foreign limited partnership and return the report to it for correction. If the report is corrected to contain the information required in subsection 1 and delivered to the secretary of state within thirty days after the effective date of the notice, it is timely delivered.

4. If a filed biennial report contains an address of a designated office or the name or address of an agent for service of process which differs from the information shown in the records of the secretary of state immediately before the filing, the differing information in the biennial report is considered a statement of change under section 488.115.

5. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first odd-numbered year following the calendar year in which a limited partnership was formed or a foreign limited partnership was authorized to transact business. Subsequent biennial reports must be delivered to the secretary of state between January 1 and April 1 of the following odd-numbered calendar years. A filing fee for the biennial report shall be determined by the secretary of state. For purposes of this

section, each biennial report shall contain information related to the two-year period immediately preceding the calendar year in which the report is filed.

ARTICLE III

LIMITED PARTNERS

Sec. 29. NEW SECTION. 488.301 BECOMING LIMITED PARTNER.

A person becomes a limited partner according to any of the following:

1. As provided in the partnership agreement.
2. As the result of a conversion or merger under article 11.
3. With the consent of all the partners.

Sec. 30. NEW SECTION. 488.302 NO RIGHT OR POWER AS LIMITED PARTNER TO BIND LIMITED PARTNERSHIP.

A limited partner does not have the right or the power as a limited partner to act for or bind the limited partnership.

Sec. 31. NEW SECTION. 488.303 NO LIABILITY AS LIMITED PARTNER FOR LIMITED PARTNERSHIP OBLIGATIONS.

An obligation of a limited partnership, whether arising in contract, tort, or otherwise, is not the obligation of a limited partner. A limited partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for an obligation of the limited partnership solely by reason of being a limited partner, even if the limited partner participates in the management and control of the limited partnership.

Sec. 32. NEW SECTION. 488.304 RIGHT OF LIMITED PARTNER AND FORMER LIMITED PARTNER TO INFORMATION.

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

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

a. The limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner.

b. The limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information.

c. The information sought is directly connected to the limited partner's purpose.

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

a. What information the limited partnership will provide in response to the demand.

b. When and where the limited partnership will provide the information.

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

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

a. The information pertains to the period during which the person was a limited partner.

b. The person seeks the information in good faith.

c. The person meets the requirements of subsection 2.

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

6. If a limited partner dies, section 488.704 applies.

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

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

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

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

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

Sec. 33. NEW SECTION. 488.305 LIMITED DUTIES OF LIMITED PARTNERS.

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

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

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

Sec. 34. NEW SECTION. 488.306 PERSON ERRONEOUSLY BELIEVING SELF TO BE LIMITED PARTNER.

1. Except as otherwise provided in subsection 2, a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person does either of the following:

a. Causes an appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the secretary of state for filing.

b. Withdraws from future participation as an owner in the enterprise by signing and delivering to the secretary of state for filing a statement of withdrawal under this section.

2. A person that makes an investment described in subsection 1 is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the secretary of state files a statement of withdrawal, certificate of limited partnership, amendment, or statement of correction to show that the person is not a general partner.

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

ARTICLE IV

GENERAL PARTNERS

Sec. 35. NEW SECTION. 488.401 BECOMING GENERAL PARTNER.

A person becomes a general partner according to any of the following:

1. As provided in the partnership agreement.

2. Under section 488.801, subsection 3, paragraph "b", following the dissociation of a limited partnership's last general partner.

3. As the result of a conversion or merger under article 11.

4. With the consent of all the partners.

Sec. 36. NEW SECTION. 488.402 GENERAL PARTNER AGENT OF LIMITED PARTNERSHIP.

1. Each general partner is an agent of the limited partnership for the purposes of its activities. An act of a general partner, including the signing of a record in the partnership's name, for apparently carrying on in the ordinary

course the limited partnership's activities or activities of the kind carried on by the limited partnership binds the limited partnership, unless the general partner did not have authority to act for the limited partnership in the particular matter and the person with which the general partner was dealing knew, had received a notification, or had notice under section 488.103, subsection 4, that the general partner lacked authority.

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

Sec. 37. NEW SECTION. 488.403 LIMITED PARTNERSHIP LIABLE FOR GENERAL PARTNER'S ACTIONABLE CONDUCT.

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

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

Sec. 38. NEW SECTION. 488.404 GENERAL PARTNER'S LIABILITY.

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

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

3. An obligation of a limited partnership incurred while the limited partnership is a limited liability limited partnership, whether arising in contract, tort, or otherwise,

is solely the obligation of the limited partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or acting as a general partner. This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the consent required to become a limited liability limited partnership under section 488.406, subsection 2, paragraph "b".

Sec. 39. NEW SECTION. 488.405 ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.

1. To the extent not inconsistent with section 488.404, a general partner may be joined in an action against the limited partnership or named in a separate action.

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

3. A judgment creditor of a general partner shall not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under section 488.404 and at least one of the following applies:

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

b. The limited partnership is a debtor in bankruptcy.

c. The general partner has agreed that the creditor need not exhaust limited partnership assets.

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

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

Sec. 40. NEW SECTION. 488.406 MANAGEMENT RIGHTS OF GENERAL PARTNER.

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

2. The consent of each partner is necessary to do any or all of the following:

a. Amend the partnership agreement.

b. Amend the certificate of limited partnership to add or, subject to section 488.1110, delete a statement that the limited partnership is a limited liability limited partnership.

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

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

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

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

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

Sec. 41. NEW SECTION. 488.407 RIGHT OF GENERAL PARTNER AND FORMER GENERAL PARTNER TO INFORMATION.

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

a. In the limited partnership's designated office, required information.

b. At a reasonable location specified by the limited partnership, any other records maintained by the limited partnership regarding the limited partnership's activities and financial condition.

2. Each general partner and the limited partnership shall furnish to a general partner all of the following:

a. Without demand, any information concerning the limited partnership's activities and financial condition reasonably required for the proper exercise of the general partner's rights and duties under the partnership agreement or this chapter.

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

3. Subject to subsection 5, on ten days' demand made in a record received by the limited partnership, a person dissociated as a general partner may have access to the information and records described in subsection 1 at the location specified in subsection 1 if all of the following apply:

a. The information or record pertains to the period during which the person was a general partner.

b. The person seeks the information or record in good faith.

c. The person satisfies the requirements imposed on a limited partner by section 488.304, subsection 2.

4. The limited partnership shall respond to a demand made pursuant to subsection 3 in the same manner as provided in section 488.304, subsection 3.

5. If a general partner dies, section 488.704 applies.

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

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

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

9. The rights under this section do not extend to a person as transferee, but the rights under subsection 3 of a person dissociated as a general partner may be exercised by the legal representative of an individual who dissociated as a general partner under section 488.603, subsection 7, paragraph "b" or "c".

Sec. 42. NEW SECTION. 488.408 GENERAL STANDARDS OF GENERAL PARTNER'S CONDUCT.

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

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

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

b. To refrain from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership.

c. To refrain from competing with the limited partnership in the conduct or winding up of the limited partnership's activities.

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

4. A general partner shall discharge the duties to the partnership and the other partners under this chapter or under

the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

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

ARTICLE V

CONTRIBUTIONS AND DISTRIBUTIONS

Sec. 43. NEW SECTION. 488.501 FORM OF CONTRIBUTION.

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

Sec. 44. NEW SECTION. 488.502 LIABILITY FOR CONTRIBUTION.

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

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

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

Sec. 45. NEW SECTION. 488.503 SHARING OF DISTRIBUTIONS.

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

Sec. 46. NEW SECTION. 488.504 INTERIM DISTRIBUTIONS.

A partner does not have a right to any distribution before the dissolution and winding up of the limited partnership

unless the limited partnership decides to make an interim distribution.

Sec. 47. NEW SECTION. 488.505 NO DISTRIBUTION ON ACCOUNT OF DISSOCIATION.

A person does not have a right to receive a distribution on account of dissociation.

Sec. 48. NEW SECTION. 488.506 DISTRIBUTION IN KIND.

A partner does not have a right to demand or receive any distribution from a limited partnership in any form other than cash. Subject to section 488.812, subsection 2, a limited partnership may distribute an asset in kind to the extent each partner receives a percentage of the asset equal to the partner's share of distributions.

Sec. 49. NEW SECTION. 488.507 RIGHT TO DISTRIBUTION.

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

Sec. 50. NEW SECTION. 488.508 LIMITATIONS ON DISTRIBUTION.

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

2. A limited partnership shall not make a distribution if after the distribution any of the following would result:

a. The limited partnership would not be able to pay its debts as they become due in the ordinary course of the limited partnership's activities.

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

3. A limited partnership may base a determination that a distribution is not prohibited under subsection 2 on financial

statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

4. Except as otherwise provided in subsection 7, the effect of a distribution under subsection 2 is measured according to either of the following:

a. In the case of distribution by purchase, redemption, or other acquisition of a transferable interest in the limited partnership, as of the date money or other property is transferred or debt incurred by the limited partnership.

b. In all other cases, as of the date of either of the following:

(1) The date the distribution is authorized, if the payment occurs within one hundred twenty days after that date.

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

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

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

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

Sec. 51. NEW SECTION. 488.509 LIABILITY FOR IMPROPER DISTRIBUTIONS.

1. A general partner that consents to a distribution made in violation of section 488.508 is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation if it is established that in consenting to the distribution the general partner failed to comply with section 488.408.

2. A partner or transferee that received a distribution knowing that the distribution to that partner or transferee was made in violation of section 488.508 is personally liable to the limited partnership but only to the extent that the distribution received by the partner or transferee exceeded the amount that could have been properly paid under section 488.508.

3. A general partner against which an action is commenced under subsection 1 may do any or all of the following:

a. Implead in the action any other person that is liable under subsection 1 and compel contribution from the person.

b. Implead in the action any person that received a distribution in violation of subsection 2 and compel contribution from the person in the amount the person received in violation of subsection 2.

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

ARTICLE VI
DISSOCIATION

Sec. 52. NEW SECTION. 488.601 DISSOCIATION AS LIMITED PARTNER.

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

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

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

b. An event agreed to in the partnership agreement as causing the person's dissociation as a limited partner.

c. The person's expulsion as a limited partner pursuant to the partnership agreement.

d. The person's expulsion as a limited partner by the unanimous consent of the other partners if any of the following apply:

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

(2) There has been a transfer of all of the person's transferable interest in the limited partnership, other than a

transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed.

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

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

e. On application by the limited partnership, the person's expulsion as a limited partner by judicial order because of any of the following:

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

(2) The person willfully or persistently committed a material breach of the partnership agreement or of the obligation of good faith and fair dealing under section 488.305, subsection 2.

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

f. In the case of a person who is an individual, the person's death.

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

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

i. Termination of a limited partner that is not an individual, partnership, limited liability company, corporation, trust, or estate.

j. The limited partnership's participation in a conversion or merger under article 11, if either of the following applies:

(1) The limited partnership is not the converted or surviving entity.

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

Sec. 53. NEW SECTION. 488.602 EFFECT OF DISSOCIATION AS LIMITED PARTNER.

1. Upon a person's dissociation as a limited partner, all of the following apply:

a. Subject to section 488.704, the person does not have further rights as a limited partner.

b. The person's obligation of good faith and fair dealing as a limited partner under section 488.305, subsection 2, continues only as to matters arising and events occurring before the dissociation.

c. Subject to section 488.704 and article 11, any transferable interest owned by the person in the person's capacity as a limited partner immediately before dissociation is owned by the person as a mere transferee.

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

Sec. 54. NEW SECTION. 488.603 DISSOCIATION AS GENERAL PARTNER.

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

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

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

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

4. The person's expulsion as a general partner by the unanimous consent of the other partners if any of the following apply:

a. It is unlawful to carry on the limited partnership's activities with the person as a general partner.

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

c. The person is an entity which participates in a merger and is not the surviving entity.

5. On application by the limited partnership, the person's expulsion as a general partner by judicial determination because of any of the following:

a. The person engaged in wrongful conduct that adversely and materially affected the limited partnership activities.

b. The person willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under section 488.408.

c. The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities of the limited partnership with the person as a general partner.

6. The person does or is one of the following:

a. Becomes a debtor in bankruptcy.

b. Executes an assignment for the benefit of creditors.

c. Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property.

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

e. Is a corporation that has filed articles of dissolution or the equivalent, has had its charter revoked, or has had its right to conduct business suspended by the jurisdiction of its incorporation, and all of the following apply:

(1) There is no revocation of the articles of dissolution or no reinstatement of its charter or its right to conduct

business within ninety days after such filing, revocation, or suspension.

(2) The limited partnership, or any partner, notifies the partners that such filing, revocation, or suspension has occurred, and no vote to retain the general partner occurs within ninety days of such notification.

f. Is a limited liability company or partnership that has been dissolved and whose business is being wound up, and the limited partnership, or any partner, notifies the partners that such dissolution has occurred and no vote to retain the general partner occurs with ninety days of such notification.

7. In the case of a person who is an individual, any of the following:

a. The person's death.

b. The appointment of a guardian or general conservator for the person.

c. A judicial determination that the person has otherwise become incapable of performing the person's duties as a general partner under the partnership agreement.

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

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

10. Termination of a general partner that is not an individual, partnership, limited liability company, corporation, trust, or estate.

11. The limited partnership's participation in a conversion or merger under article 11, if either of the following applies:

a. The limited partnership is not the converted or surviving entity.

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

Sec. 55. NEW SECTION. 488.604 PERSON'S POWER TO DISSOCIATE AS GENERAL PARTNER -- WRONGFUL DISSOCIATION.

1. A person has the power to dissociate as a general partner at any time, rightfully or wrongfully, by express will pursuant to section 488.603, subsection 1.

2. A person's dissociation as a general partner is wrongful only if either of the following applies:

a. The dissociation is in breach of an express provision of the partnership agreement.

b. The dissociation occurs before the termination of the limited partnership, and at least one of the following also applies:

(1) The person withdraws as a general partner by express will.

(2) The person is expelled as a general partner by judicial determination under section 488.603, subsection 5.

(3) The person is dissociated as a general partner by becoming a debtor in bankruptcy.

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

3. A person that wrongfully dissociates as a general partner is liable to the limited partnership and, subject to section 488.1001, to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the general partner to the limited partnership or to the other partners.

Sec. 56. NEW SECTION. 488.605 EFFECT OF DISSOCIATION AS GENERAL PARTNER.

1. Upon a person's dissociation as a general partner, all of the following apply:

a. The person's right to participate as a general partner in the management and conduct of the partnership's activities terminates.

b. The person's duty of loyalty as a general partner under section 488.408, subsection 2, paragraph "c", terminates.

c. The person's duty of loyalty as a general partner under section 488.408, subsection 2, paragraphs "a" and "b", and duty of care under section 488.408, subsection 3, continue only with regard to matters arising and events occurring 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.

e. Subject to section 488.704 and article 11, 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. 57. NEW SECTION. 488.606 POWER TO BIND -- LIABILITY TO LIMITED PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF PERSON DISSOCIATED AS GENERAL PARTNER.

1. After a person is dissociated as a general partner and before the limited partnership is dissolved, converted under article 11, or merged out of existence under article 11, the limited partnership is bound by an act of the person only if all of the following apply:

a. The act would have bound the limited partnership under section 488.402 before the dissociation.

b. At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

(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 to the following:

a. To the limited partnership for any damage caused to the limited partnership arising from the obligation incurred under subsection 1.

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. 58. NEW SECTION. 488.607 LIABILITY TO OTHER PERSONS OF PERSON DISSOCIATED AS GENERAL PARTNER.

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 488.404 on an obligation incurred by the limited partnership under section 488.804.

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

a. A general partner would be liable on the transaction.

b. At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

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

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

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

ARTICLE VII

TRANSFERABLE INTERESTS AND RIGHTS

Sec. 59. NEW SECTION. 488.701 PARTNER'S TRANSFERABLE INTEREST.

The only interest of a partner which is transferable is the partner's transferable interest. A transferable interest is personal property.

Sec. 60. NEW SECTION. 488.702 TRANSFER OF PARTNER'S TRANSFERABLE INTEREST.

1. All of the following apply to a transfer, in whole or in part, of a partner's transferable interest:

- a. It is permissible.
- b. It does not by itself cause the partner's dissociation or a dissolution and winding up of the limited partnership's activities.

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

2. A transferee has a right to receive, in accordance with the transfer, all of the following:

- a. Distributions to which the transferor would otherwise be entitled.
- b. Upon the dissolution and winding up of the limited partnership's activities, the net amount otherwise distributable to the transferor.

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

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

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

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

7. A transferee that becomes a partner with respect to a transferable interest is liable for the transferor's

obligations under sections 488.502 and 488.509. However, the transferee is not obligated for liabilities unknown to the transferee at the time the transferee became a partner.

Sec. 61. NEW SECTION. 488.703 RIGHTS OF CREDITOR OF PARTNER OR TRANSFEREE.

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

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

3. At any time before foreclosure, an interest charged may be redeemed by any of the following:

- a. By the judgment debtor.
- b. With property other than limited partnership property, by one or more of the other partners.
- c. With limited partnership property, by the limited partnership with the consent of all partners whose interests are not so charged.

4. This chapter does not deprive any partner or transferee of the benefit of any exemption laws applicable to the partner's or transferee's transferable interest.

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

Sec. 62. NEW SECTION. 488.704 POWER OF ESTATE OF DECEASED PARTNER.

If a partner dies, the deceased partner's personal representative or other legal representative may exercise the rights of a transferee as provided in section 488.702 and, for the purposes of settling the estate, may exercise the rights of a current limited partner under section 488.304.

ARTICLE VIII
DISSOLUTION

Sec. 63. NEW SECTION. 488.801 NONJUDICIAL DISSOLUTION.

Except as otherwise provided in section 488.802, a limited partnership is dissolved, and its activities must be wound up, only upon the occurrence of any of the following:

1. The happening of an event specified in the partnership agreement.

2. The consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective.

3. After the dissociation of a person as a general partner, upon occurrence of either of the following:

a. If the limited partnership has at least one remaining general partner, the consent to dissolve the limited partnership given within ninety days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the consent is to be effective.

b. If the limited partnership does not have a remaining general partner, the passage of ninety days after the dissociation, unless before the end of the period, all of the following occur:

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

(2) At least one person is admitted as a general partner in accordance with the consent.

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

5. The signing and filing of a declaration of dissolution by the secretary of state under section 488.809, subsection 3.

Sec. 64. NEW SECTION. 488.802 JUDICIAL DISSOLUTION.

On application by or for a partner, the district court for the county in which the office described in section 488.114, subsection 1, paragraph "a", is located may order dissolution

of a limited partnership if it is not reasonably practicable to carry on the activities of the limited partnership in conformity with the partnership agreement.

Sec. 65. NEW SECTION. 488.803 WINDING UP.

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

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

a. May amend its certificate of limited partnership to state that the limited partnership is dissolved, preserve the limited partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, transfer the limited partnership's property, settle disputes by mediation or arbitration, file a statement of termination as provided in section 488.203, and perform other necessary acts.

b. Shall discharge the limited partnership's liabilities, settle and close the limited partnership's activities, and marshal and distribute the assets of the partnership.

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

a. Has the powers of a general partner under section 488.804.

b. Shall promptly amend the certificate of limited partnership to state all of the following:

(1) That the limited partnership does not have a general partner.

(2) The name of the person that has been appointed to wind up the limited partnership.

(3) The street and mailing address of the person.

4. On the application of any partner, the district court in the county in which the office described in section 488.144, subsection 1, paragraph "a", is located may order judicial supervision of the winding up, including the appointment of a person to wind up the dissolved limited partnership's activities, if any of the following applies:

a. A limited partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to subsection 3.

b. The applicant establishes other good cause.

Sec. 66. NEW SECTION. 488.804 POWER OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER TO BIND PARTNERSHIP AFTER DISSOLUTION.

1. A limited partnership is bound by a general partner's act after dissolution in which any of the following applies:

a. The act is appropriate for winding up the limited partnership's activities.

b. The act would have bound the limited partnership under section 488.402 before dissolution, if, at the time the other party enters into the transaction, the other party does not have notice of the dissolution.

2. A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if both of the following apply:

a. At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

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

b. At least one of the following applies:

(1) The act is appropriate for winding up the limited partnership's activities.

(2) The act would have bound the limited partnership under section 488.402 before dissolution and at the time the other party enters into the transaction the other party does not have notice of the dissolution.

Sec. 67. NEW SECTION. 488.805 LIABILITY AFTER DISSOLUTION OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER TO LIMITED PARTNERSHIP, OTHER GENERAL PARTNERS, AND PERSONS DISSOCIATED AS GENERAL PARTNER.

1. If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under section 488.804, subsection 1, by an act that is not appropriate for winding up the partnership's activities, the general partner is liable for all of the following:

a. To the limited partnership for any damage caused to the limited partnership arising from the obligation.

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 section 488.804, subsection 2, the person is liable for all of the following:

a. To the limited partnership for any damage caused to the limited partnership arising from the obligation.

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. 68. NEW SECTION. 488.806 KNOWN CLAIMS AGAINST DISSOLVED LIMITED PARTNERSHIP.

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 do all of the following:

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 one hundred twenty 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.

e. Unless the limited partnership has been throughout its existence a limited liability limited partnership or elected under prior law to become a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on section 488.404.

3. A claim against a dissolved limited partnership is barred if the requirements of subsection 2 are met and at least one of the following applies:

- a. The claim is not received by the specified deadline.
- b. In the case of a claim that is timely received but rejected by the dissolved limited partnership, the claimant does not commence an action to enforce the claim against the limited partnership within ninety days after the receipt of the notice of the rejection.

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

Sec. 69. NEW SECTION. 488.807 OTHER CLAIMS AGAINST DISSOLVED LIMITED PARTNERSHIP.

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

2. The notice must do all of the following:

a. Be published at least once in a newspaper of general circulation in the county in which the dissolved limited partnership's principal office is located or, if it has none in this state, in the county in which the limited partnership's designated office is or was last located.

b. Describe the information required to be contained in a claim and provide a mailing address to which the claim is to be sent.

c. State that a claim against the limited partnership is barred unless an action to enforce the claim is commenced within five years after publication of the notice.

d. Unless the limited partnership has been throughout its existence a limited liability limited partnership or elected under prior law to become a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on section 488.404.

3. If a dissolved limited partnership publishes a notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the dissolved limited

partnership within five years after the publication date of the notice:

a. A claimant that did not receive notice in a record under section 488.806.

b. A claimant whose claim was timely sent to the dissolved limited partnership but not acted on.

c. A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim not barred under this section may be enforced:

a. Against the dissolved limited partnership, to the extent of its undistributed assets.

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

c. Against any person liable on the claim under section 488.404.

Sec. 70. NEW SECTION. 488.808 COURT PROCEEDINGS.

1. A dissolved limited partnership that has published a notice under section 488.807 may file an application with the district court of the county in which the office described in section 488.114 is located for a determination of the amount and form of security to be provided for the payment of claims that are contingent or have not been made known to the dissolved limited partnership or that are based on an event occurring after the effective date of dissolution but that based on the facts known to the dissolved limited partnership, are reasonably estimated to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under section 488.807.

2. Within ten days after the filing of the application, notice of the proceeding shall be given by the dissolved limited partnership to each claimant holding a contingent claim whose contingent claim is shown on the records of the dissolved limited partnership.

3. The court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the dissolved limited partnership.

4. Provision by the dissolved limited partnership for security in the amount and form ordered by the court under subsection 1 shall satisfy the dissolved limited partnership's obligations with respect to claims that are contingent, have not been made known to the dissolved limited partnership or are based on an event occurring after the effective date of dissolution, and such claims shall not be enforced against a partner who received assets in liquidation.

Sec. 71. NEW SECTION. 488.808A LIABILITY OF GENERAL PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED PARTNERSHIP BARRED.

If a claim against a dissolved limited partnership is barred under section 488.806 or 488.807, any corresponding claim under section 488.404 is also barred.

Sec. 72. NEW SECTION. 488.809 ADMINISTRATIVE DISSOLUTION.

1. The secretary of state may dissolve a limited partnership administratively if the limited partnership does not, within sixty days after the due date, do any of the following:

a. Pay any fee, tax, or penalty under this chapter or other law due to the secretary of state.

b. Deliver its biennial report to the secretary of state.

2. If the secretary of state determines that a ground exists for administratively dissolving a limited partnership, the secretary of state shall file a record of the determination and serve the limited partnership with a copy of the filed record.

3. If within sixty days after service of the copy the limited partnership does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist, the secretary of state shall administratively dissolve the limited partnership by preparing, signing, and filing a declaration of dissolution that states the grounds for dissolution. The secretary of

state shall serve the limited partnership with a copy of the filed declaration.

4. A limited partnership administratively dissolved continues its existence but may carry on only activities necessary to wind up its activities and liquidate its assets under sections 488.803 and 488.812 and to notify claimants under sections 488.806 and 488.807.

5. The administrative dissolution of a limited partnership does not terminate the authority of its agent for service of process.

Sec. 73. NEW SECTION. 488.810 REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION.

1. A limited partnership that has been administratively dissolved may apply to the secretary of state for reinstatement within two years after the effective date of dissolution. The application must be delivered to the secretary of state for filing and state all of the following:

a. The name of the limited partnership and the effective date of its administrative dissolution.

b. That the grounds for dissolution either did not exist or have been eliminated.

c. That the limited partnership's name satisfies the requirements of section 488.108.

2. If the secretary of state determines that an application contains the information required by subsection 2 and that the information is correct, the secretary of state shall prepare a declaration of reinstatement that states this determination, sign, and file the original of the declaration of reinstatement, and serve the limited partnership with a copy.

3. When reinstatement becomes effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the limited partnership may resume its activities as if the administrative dissolution had never occurred.

Sec. 74. NEW SECTION. 488.811 APPEAL FROM DENIAL OF REINSTATEMENT.

1. If the secretary of state denies a limited partnership's application for reinstatement following administrative dissolution, the secretary of state shall prepare, sign, and file a notice that explains the reason or

reasons for denial and serve the limited partnership with a copy of the notice.

2. Within thirty days after service of the notice of denial, the limited partnership may appeal from the denial of reinstatement by petitioning the district court to set aside the dissolution. The petition must be served on the secretary of state and contain a copy of the secretary of state's declaration of dissolution, the limited partnership's application for reinstatement, and the secretary of state's notice of denial.

3. The court may summarily order the secretary of state to reinstate the dissolved limited partnership or may take other action the court considers appropriate.

Sec. 75. NEW SECTION. 488.812 DISPOSITION OF ASSETS -- WHEN CONTRIBUTIONS REQUIRED.

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

2. Any surplus remaining after the limited partnership complies with subsection 1 must be paid in cash as a distribution.

3. If a limited partnership's assets are insufficient to satisfy all of its obligations under subsection 1, with respect to each unsatisfied obligation incurred when the limited partnership was not a limited liability limited partnership, the following rules apply:

a. Each person that was a general partner when the obligation was incurred and that has not been released from the obligation under section 488.607 shall contribute to the limited partnership for the purpose of enabling the limited partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.

b. If a person does not contribute the full amount required under paragraph "a" with respect to an unsatisfied obligation of the limited partnership, the other persons required to contribute by paragraph "a" on account of the

obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those other persons when the obligation was incurred.

c. If a person does not make the additional contribution required by paragraph "b", further additional contributions are determined and due in the same manner as provided in that paragraph.

4. A person that makes an additional contribution under subsection 3, paragraph "b" or "c", may recover from any person whose failure to contribute under subsection 3, paragraph "b" or "c", necessitated the additional contribution. A person shall not recover under this subsection more than the amount additionally contributed. A person's liability under this subsection shall not exceed the amount the person failed to contribute.

5. The estate of a deceased individual is liable for the person's obligations under this section.

6. An assignee for the benefit of creditors of a limited partnership or a partner, or a person appointed by a court to represent creditors of a limited partnership or a partner, may enforce a person's obligation to contribute under subsection 3.

ARTICLE IX

FOREIGN LIMITED PARTNERSHIPS

Sec. 76. NEW SECTION. 488.901 GOVERNING LAW.

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

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

3. A certificate of authority does not authorize a foreign limited partnership to engage in any business or exercise any power that a limited partnership shall not engage in or exercise in this state.

Sec. 77. NEW SECTION. 488.902 APPLICATION FOR CERTIFICATE OF AUTHORITY.

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

a. The name of the foreign limited partnership and, if the name does not comply with section 488.108, an alternate name adopted pursuant to section 488.905, subsection 1.

b. The name of the state or other jurisdiction under whose law the foreign limited partnership is organized.

c. The street and mailing address of the foreign limited partnership's principal office and, if the laws of the jurisdiction under which the foreign limited partnership is organized require the foreign limited partnership to maintain an office in that jurisdiction, the street and mailing address of the required office.

d. The name and street and mailing address of the foreign limited partnership's initial agent for service of process in this state.

e. The name and street and mailing address of each of the foreign limited partnership's general partners.

f. Whether the foreign limited partnership is a foreign limited liability limited partnership.

2. A foreign limited partnership shall deliver with the completed application a certificate of existence or a record of similar import signed by the secretary of state or other official having custody of the foreign limited partnership's publicly filed records in the state or other jurisdiction under whose law the foreign limited partnership is organized.

Sec. 78. NEW SECTION. 488.903 ACTIVITIES NOT CONSTITUTING TRANSACTING BUSINESS.

1. Activities of a foreign limited partnership which do not constitute transacting business in this state within the meaning of this article include all of the following:

a. Maintaining, defending, and settling an action or proceeding.

b. Holding meetings of its partners or carrying on any other activity concerning its internal affairs.

c. Maintaining accounts in financial institutions.

d. Maintaining offices or agencies for the transfer, exchange, and registration of the foreign limited partnership's own securities or maintaining trustees or depositories with respect to those securities.

e. Selling through independent contractors.

f. Soliciting or obtaining orders, whether by mail or electronic means or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

g. Creating or acquiring indebtedness, mortgages, or security interests in real or personal property.

h. Securing or collecting debts or enforcing mortgages or other security interests in property securing the debts, and holding, protecting, and maintaining property so acquired.

i. Owning, without more, real or personal property.

j. Conducting an isolated transaction that is completed within thirty days and is not one in the course of similar transactions of a like manner.

k. Transacting business in interstate commerce.

2. For purposes of this article, the ownership in this state of income-producing real or tangible personal property, other than property excluded under subsection 1, constitutes transacting business in this state.

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

Sec. 79. NEW SECTION. 488.904 FILING OF CERTIFICATE OF AUTHORITY.

Unless the secretary of state determines that an application for a certificate of authority does not comply with the filing requirements of this chapter, the secretary of state, upon receiving payment of all filing fees, shall file the application, notify the applicant that the application has been approved, and provide a receipt for the payment of fees. Such notification shall serve as certificate of authority to transact business in this state.

Sec. 80. NEW SECTION. 488.905 NONCOMPLYING NAME OF FOREIGN LIMITED PARTNERSHIP.

1. A foreign limited partnership whose name does not comply with section 488.108 shall not obtain a certificate of

authority until it adopts, for the purpose of transacting business in this state, an alternate name that complies with section 488.108. A foreign limited partnership that adopts an alternate name under this subsection and then obtains a certificate of authority with the name need not also comply with chapter 547. After obtaining a certificate of authority with an alternate name, a foreign limited partnership shall transact business in this state under the name unless the foreign limited partnership is authorized under chapter 547 to transact business in this state under another name.

2. If a foreign limited partnership authorized to transact business in this state changes its name to one that does not comply with section 488.108, it shall not thereafter transact business in this state until it complies with subsection 1 and obtains an amended certificate of authority.

Sec. 81. NEW SECTION. 488.906 REVOCATION OF CERTIFICATE OF AUTHORITY.

1. A certificate of authority of a foreign limited partnership to transact business in this state may be revoked by the secretary of state in the manner provided in subsections 2 and 3 if the foreign limited partnership does not do any of the following:

a. Pay, within sixty days after the due date, any fee, tax or penalty under this chapter or other law due to the secretary of state.

b. Deliver, within sixty days after the due date, its biennial report required under section 488.210.

c. Appoint and maintain an agent for service of process as required by section 488.114, subsection 2.

d. Deliver for filing a statement of a change under section 488.115 within thirty days after a change has occurred in the name or address of the agent.

2. In order to revoke a certificate of authority, the secretary of state must prepare, sign, and file a notice of revocation and send a copy to the foreign limited partnership's agent for service of process in this state, or if the foreign limited partnership does not appoint and maintain a proper agent in this state, to the foreign limited partnership's designated office. The notice must state all of the following:

a. The revocation's effective date, which must be at least sixty days after the date the secretary of state sends the copy.

b. The foreign limited partnership's failures to comply with subsection 1 which are the reason for the revocation.

3. The authority of the foreign limited partnership to transact business in this state ceases on the effective date of the notice of revocation unless before that date the foreign limited partnership cures each failure to comply with subsection 1 stated in the notice. If the foreign limited partnership cures the failures, the secretary of state shall so indicate on the filed notice.

Sec. 82. NEW SECTION. 488.907 CANCELLATION OF CERTIFICATE OF AUTHORITY -- EFFECT OF FAILURE TO HAVE CERTIFICATE.

1. In order to cancel its certificate of authority to transact business in this state, a foreign limited partnership must deliver to the secretary of state for filing a notice of cancellation. The certificate is canceled when the notice becomes effective under section 488.206.

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

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

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

5. If a foreign limited partnership transacts business in this state without a certificate of authority or cancels its certificate of authority, it appoints the secretary of state as its agent for service of process for rights of action arising out of the transaction of business in this state.

Sec. 83. NEW SECTION. 488.908 ACTION BY ATTORNEY GENERAL.

The attorney general may maintain an action to restrain a foreign limited partnership from transacting business in this state in violation of this article.

ARTICLE X

ACTIONS BY PARTNERS

Sec. 84. NEW SECTION. 488.1001 DIRECT ACTION BY PARTNER.

1. Subject to subsection 2, a partner may maintain a direct action against the limited partnership or another partner for legal or equitable relief, with or without an accounting as to the partnership's activities, to enforce the rights and otherwise protect the interests of the partner, including rights and interests under the partnership agreement or this chapter or arising independently of the partnership relationship.

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

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. 85. NEW SECTION. 488.1002 DERIVATIVE ACTION.

A partner may maintain a derivative action to enforce a right of a limited partnership, but a partner shall not commence such a proceeding until both of the following have occurred:

1. A written demand has been made upon the general partner or partners, requesting that they cause the limited partnership to take suitable action.

2. Ninety days have expired from the date the demand was made, unless the partner has earlier been notified that the demand has been rejected by the general partner or partners or unless irreparable injury to the limited partnership would result by waiting for the expiration of the ninety-day period.

Sec. 86. NEW SECTION. 488.1003 PROPER PLAINTIFF.

A derivative action may be maintained only by a person that is a partner at the time the action is commenced and where one of the following also applies:

1. The person that was a partner when the conduct giving rise to the action occurred.

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

Sec. 87. NEW SECTION. 488.1004 PLEADING.

In a derivative action, the petition must state with particularity the date and content of plaintiff's demand and either the general partners' response to the demand or how the limited partnership would be irreparably harmed by waiting for such a response for ninety days.

Sec. 88. NEW SECTION. 488.1005 PROCEEDS AND EXPENSES.

1. Except as otherwise provided in subsection 2:

a. Any proceeds or other benefits of a derivative action, whether by judgment, compromise, or settlement, belong to the limited partnership and not to the derivative plaintiff.

b. If the derivative plaintiff receives any proceeds, the derivative plaintiff shall immediately remit them to the limited partnership.

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

3. If the court finds that the derivative proceeding was commenced or maintained without reasonable cause or for an improper purpose, it may order the plaintiff to pay any defendant's reasonable expenses, including reasonable attorney fees, incurred in defending the action.

ARTICLE XI

CONVERSION AND MERGER

Sec. 89. NEW SECTION. 488.1101 DEFINITIONS.

For purposes of this article, unless the context otherwise requires:

1. "Constituent limited partnership" means a constituent organization that is a limited partnership.

2. "Constituent organization" means an organization that is party to a merger.

3. "Converted organization" means the organization into which a converting organization converts pursuant to sections 488.1102 through 488.1105.

4. "Converting limited partnership" means a converting organization that is a limited partnership.

5. "Converting organization" means an organization that converts into another organization pursuant to section 488.1102.

6. "General partner" means a general partner of a limited partnership.

7. "Governing statute" of an organization means the statute that governs the organization's internal affairs.

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

9. "Organizational documents" means all of the following:

a. For a domestic or foreign general partnership, its partnership agreement.

b. For a limited partnership or foreign limited partnership, its certificate of limited partnership and partnership agreement.

c. For a domestic or foreign limited liability company, its articles of organization and operating agreement, or comparable records as provided in its governing statute.

d. For a business trust, its agreement of trust and declaration of trust.

e. For a domestic or foreign corporation for profit, its articles of incorporation, bylaws, and other agreements among its shareholders which are authorized by its governing statute, or comparable records as provided in its governing statute.

f. For any other organization, the basic records that create the organization and determine its internal governance and the relations among the persons that own it, have an interest in it, or are members of it.

10. "Personal liability" means personal liability for a debt, liability, or other obligation of an organization which is imposed on a person that co-owns, has an interest in, or is a member of the organization according to either of the following:

a. By the organization's governing statute solely by reason of the person co-owning, having an interest in, or being a member of the organization.

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

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

Sec. 90. NEW SECTION. 488.1102 CONVERSION.

1. An organization other than a limited partnership may convert to a limited partnership, and a limited partnership may convert to another organization pursuant to this section and sections 488.1103 through 488.1105 and a plan of conversion, if all of the following apply:

a. The other organization's governing statute authorizes the conversion.

b. The conversion is not prohibited by the law of the jurisdiction that enacted the governing statute.

c. The other organization complies with its governing statute in effecting the conversion.

2. A plan of conversion must be in a record and must include all of the following:

a. The name and form of the organization before conversion.

b. The name and form of the organization after conversion.

c. The terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into any combination of money, interests in the converted organization, and other consideration.

d. The organizational documents of the converted organization.

Sec. 91. NEW SECTION. 488.1103 ACTION ON PLAN OF CONVERSION BY CONVERTING LIMITED PARTNERSHIP.

1. Subject to section 488.1110, a plan of conversion must be consented to by all the partners of a converting limited partnership.

2. Subject to section 488.1110 and any contractual rights, after a conversion is approved, and at any time before a filing is made under section 488.1104, a converting limited partnership may amend the plan or abandon the planned conversion according to any or all of the following:

a. As provided in the plan.

b. Except as prohibited by the plan, by the same consent as was required to approve the plan.

Sec. 92. NEW SECTION. 488.1104 FILINGS REQUIRED FOR CONVERSION -- EFFECTIVE DATE.

1. After a plan of conversion is approved:

a. A converting limited partnership shall deliver to the secretary of state for filing articles of conversion, which must include all of the following:

(1) A statement that the limited partnership has been converted into another organization.

(2) The name and form of the organization and the jurisdiction of its governing statute.

(3) The date the conversion is effective under the governing statute of the converted organization.

(4) A statement that the conversion was approved as required by this chapter.

(5) A statement that the conversion was approved as required by the governing statute of the converted organization.

(6) If the converted organization is a foreign organization not authorized to transact business in this state, the street and mailing address of an office which the secretary of state may use for the purposes of section 488.1105, subsection 3.

b. If the converting organization is not a converting limited partnership, the converting organization shall deliver to the secretary of state for filing a certificate of limited partnership, which must include, in addition to the information required by section 488.201, all of the following:

(1) A statement that the limited partnership was converted from another organization.

(2) The name and form of the organization and the jurisdiction of its governing statute.

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

2. A conversion becomes effective according to the following:

a. If the converted organization is a limited partnership, when the certificate of limited partnership takes effect.

b. If the converted organization is not a limited partnership, as provided by the governing statute of the converted organization.

Sec. 93. NEW SECTION. 488.1105 EFFECT OF CONVERSION.

1. An organization that has been converted pursuant to this article is for all purposes the same entity that existed before the conversion.

2. When a conversion takes effect, all of the following apply:

a. All property owned by the converting organization remains vested in the converted organization.

b. All debts, liabilities, and other obligations of the converting organization continue as obligations of the converted organization.

c. An action or proceeding pending by or against the converting organization may be continued as if the conversion had not occurred.

d. Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of the converting organization remain vested in the converted organization.

e. Except as otherwise provided in the plan of conversion, the terms and conditions of the plan of conversion take effect.

f. Except as otherwise agreed, the conversion does not dissolve a converting limited partnership for the purposes of article VIII.

3. A converted organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any obligation owed by the converting limited partnership, if before the conversion the converting limited partnership was subject to suit in this state on the obligation. A converted organization that is a foreign

organization and not authorized to transact business in this state appoints the secretary of state as its agent for service of process for purposes of enforcing an obligation under this subsection. Service on the secretary of state under this subsection is made in the same manner and with the same consequences as in section 488.117, subsections 3 and 4.

Sec. 94. NEW SECTION. 488.1106 MERGERS.

1. A limited partnership may merge with one or more other constituent organizations pursuant to this section and sections 488.1107 through 488.1109 and a plan of merger, if all of the following apply:

a. The governing statute of each the other organizations authorizes the merger.

b. The merger is not prohibited by the law of a jurisdiction that enacted any of those governing statutes.

c. Each of the other organizations complies with its governing statute in effecting the merger.

2. A plan of merger must be in a record and must include all of the following:

a. The name and form of each constituent organization.

b. The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect.

c. The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration.

d. If the surviving organization is to be created by the merger, the surviving organization's organizational documents.

e. If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents.

Sec. 95. NEW SECTION. 488.1107 ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED PARTNERSHIP.

1. Subject to section 488.1110, a plan of merger must be consented to by all the partners of a constituent limited partnership.

2. Subject to section 488.1110 and any contractual rights, after a merger is approved, and at any time before a filing is made under section 488.1108, a constituent limited partnership

may amend the plan or abandon the planned merger according to any or all the following:

- a. As provided in the plan.
- b. Except as prohibited by the plan, with the same consent as was required to approve the plan.

Sec. 96. NEW SECTION. 488.1108 FILINGS REQUIRED FOR MERGER -- EFFECTIVE DATE.

1. After each constituent organization has approved a merger, articles of merger must be signed on behalf of all of the following:

- a. Each preexisting constituent limited partnership, by each general partner listed in the certificate of limited partnership.
- b. Each other preexisting constituent organization, by an authorized representative.

2. The articles of merger must include all of the following:

- a. The name and form of each constituent organization and the jurisdiction of its governing statute.

- b. The name and form of the surviving organization, the jurisdiction of its governing statute, and, if the surviving organization is created by the merger, a statement to that effect.

- c. The date the merger is effective under the governing statute of the surviving organization.

- d. If the surviving organization is to be created by the merger, one of the following:

- (1) If it will be a limited partnership, the limited partnership's certificate of limited partnership.

- (2) If it will be an organization other than a limited partnership, the organizational document that creates the organization.

- e. If the surviving organization preexists the merger, any amendments provided for in the plan of merger for the organizational document that created the organization.

- f. A statement as to each constituent organization that the merger was approved as required by the organization's governing statute.

- g. If the surviving organization is a foreign organization not authorized to transact business in this state, the street and mailing address of an office which the secretary of state may use for the purposes of section 488.1109, subsection 2.

h. Any additional information required by the governing statute of any constituent organization.

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

4. A merger becomes effective under this article according to one of the following:

a. If the surviving organization is a limited partnership, upon the later of the following:

(1) Compliance with subsection 3.

(2) Subject to section 488.206, subsection 3, as specified in the articles of merger.

b. If the surviving organization is not a limited partnership, as provided by the governing statute of the surviving organization.

Sec. 97. NEW SECTION. 488.1109 EFFECT OF MERGER.

1. When a merger becomes effective, all of the following apply:

a. The surviving organization continues or comes into existence.

b. Each constituent organization that merges into the surviving organization ceases to exist as a separate entity.

c. All property owned by each constituent organization that ceases to exist vests in the surviving organization.

d. All debts, liabilities, and other obligations of each constituent organization that ceases to exist continue as obligations of the surviving organization.

e. An action or proceeding pending by or against any constituent organization that ceases to exist may be continued as if the merger had not occurred.

f. Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization.

g. Except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect.

h. Except as otherwise agreed, if a constituent limited partnership ceases to exist, the merger does not dissolve the limited partnership for the purposes of article VIII.

i. If the surviving organization is created by the merger, one of the following applies:

(1) If it is a limited partnership, the certificate of limited partnership becomes effective.

(2) If it is an organization other than a limited partnership, the organizational document that creates the organization becomes effective.

j. If the surviving organization preexists the merger, any amendments provided for in the articles of merger for the organizational document that created the organization become effective.

2. A surviving organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any obligation owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state on the obligation. A surviving organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its agent for service of process for the purposes of enforcing an obligation under this subsection. Service on the secretary of state under this subsection is made in the same manner and with the same consequences as in section 488.117, subsections 3 and 4.

Sec. 98. NEW SECTION. 488.1110 RESTRICTIONS ON APPROVAL OF CONVERSIONS AND MERGERS AND ON RELINQUISHING LIMITED LIABILITY LIMITED PARTNERSHIP STATUS.

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

a. The limited partnership's partnership agreement provides for the approval of the conversion or merger with the consent of fewer than all the partners.

b. The partner has consented to the provision of the partnership agreement.

2. An amendment to a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership is ineffective without the consent of each general partner, unless all of the following apply:

a. The limited partnership's partnership agreement provides for the amendment with the consent of less than all the general partners.

b. Each general partner that does not consent to the amendment has consented to the provision of the partnership agreement.

3. A partner does not give the consent required by subsection 1 or 2 merely by consenting to a provision of the partnership agreement which permits the partnership agreement to be amended with the consent of fewer than all the partners.

Sec. 99. NEW SECTION. 488.1111 LIABILITY OF GENERAL PARTNER AFTER CONVERSION OR MERGER.

1. A conversion or merger under this article does not discharge any liability under sections 488.404 and 488.607 of a person that was a general partner in or dissociated as a general partner from a converting or constituent limited partnership, but all of the following apply:

a. The provisions of this chapter pertaining to the collection or discharge of the liability continue to apply to the liability.

b. For the purposes of applying those provisions, the converted or surviving organization is deemed to be the converting or constituent limited partnership.

c. If a person is required to pay any amount under this subsection, all of the following apply:

(1) The person has a right of contribution from each other person that was liable as a general partner under section 488.404 when the obligation was incurred and has not been released from the obligation under section 488.607.

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

2. In addition to any other liability provided by law, both of the following apply:

a. A person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if, at the time the third party enters into the transaction, all of the following apply to the third party:

(1) The third party does not have notice of the conversion or merger.

(2) The third party reasonably believes all of the following:

(a) The converted or surviving business is the converting or constituent limited partnership.

(b) The converting or constituent limited partnership is not a limited liability limited partnership.

(c) The person is a general partner in the converting or constituent limited partnership.

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

(1) Immediately before the conversion or merger became effective the converting or surviving limited partnership was not a limited liability limited partnership.

(2) At the time the third party enters into the transaction less than two years have passed since the person dissociated as a general partner and all of the following apply to the third party:

(a) The third party does not have notice of the dissociation.

(b) The third party does not have notice of the conversion or merger.

(c) The third party reasonably believes that the converted or surviving organization is the converting or constituent limited partnership, the converting or constituent limited partnership is not a limited liability limited partnership, and the person is a general partner in the converting or constituent limited partnership.

Sec. 100. NEW SECTION. 488.1112 POWER OF GENERAL PARTNERS AND PERSONS DISSOCIATED AS GENERAL PARTNERS TO BIND ORGANIZATION AFTER CONVERSION OR MERGER.

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

a. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402.

b. At the time the third party enters into the transaction, all of the following apply to the third party:

(1) The third party does not have notice of the conversion or merger.

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

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

a. Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402 if the person had been a general partner.

b. At the time the third party enters into the transaction, less than two years have passed since the person dissociated as a general partner and all of the following apply to the third party:

(1) The third party does not have notice of the dissociation.

(2) The third party does not have notice of the conversion or merger.

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

3. If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection 1 or 2, the person is liable to either or both of the following:

a. To the converted or surviving organization for any damage caused to the organization arising from the obligation.

b. If another person is liable for the obligation, to that other person for any damage caused to that other person arising from the liability.

Sec. 101. NEW SECTION. 488.1113 ARTICLE NOT EXCLUSIVE.

This article does not preclude an entity from being converted or merged under other law.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Sec. 102. NEW SECTION. 488.1201 UNIFORMITY OF APPLICATION AND CONSTRUCTION.

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 103. NEW SECTION. 488.1202 SEVERABILITY.

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

Sec. 104. NEW SECTION. 488.1203 RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but this chapter does not modify, limit, or supersede section 101(c) of that Act or authorize electronic delivery of any of the notices described in section 103(b) of that Act.

Sec. 105. NEW SECTION. 488.1204 APPLICATION TO EXISTING RELATIONSHIPS.

1. Before January 1, 2006, this chapter governs only the following:

a. A limited partnership formed on or after January 1, 2005.

b. Except as otherwise provided in subsections 3 and 4, a limited partnership formed before January 1, 2005, that elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this chapter.

2. Except as otherwise provided in subsection 3, on and after January 1, 2006, this chapter governs all limited partnerships.

3. With respect to a limited partnership formed before January 1, 2005, the following rules apply except as the partners otherwise elect in the manner provided in the

partnership agreement or by law for amending the partnership agreement:

a. Section 488.104, subsection 3, does not apply and the limited partnership has whatever duration it had under the law applicable immediately before January 1, 2005.

b. The limited partnership is not required to amend its certificate of limited partnership to comply with section 488.201, subsection 1, paragraph "d".

c. Sections 488.505, 488.601, and 488.602 do not apply, and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed immediately before January 1, 2005.

d. Section 488.603, subsection 4, does not apply.

e. Section 488.603, subsection 5, does not apply, and a court has the same power to expel a general partner as the court had immediately before January 1, 2005.

f. Section 488.801, subsection 3, does not apply and the connection between a person's dissociation as a general partner and the dissolution of the limited partnership is the same as existed immediately before January 1, 2005.

g. If a limited partnership elected under prior law to become a limited liability limited partnership by filing a statement of qualification with the secretary of state, the statement of qualification is deemed to be an amendment to the certificate of limited partnership in compliance with section 488.201, subsection 1, paragraph "d", and the limited liability limited partnership automatically is a limited liability limited partnership under this chapter.

4. With respect to a limited partnership that elects pursuant to subsection 1, paragraph "b", to be subject to this chapter, after the election takes effect, the provisions of this chapter relating to the liability of the limited partnership's general partners to third parties apply according to the following:

a. Before January 1, 2006, to all of the following:

(1) A third party that had not done business with the limited partnership in the year before the election took effect.

(2) A third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has received a notification of the election.

b. On and after January 1, 2006, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable under paragraph "a", subparagraph (2).

c. Notwithstanding the foregoing provisions of this subsection, if a preexisting limited liability limited partnership elects to be subject to this chapter prior to January 1, 2006, this chapter's provisions relating to the liability of general partners to third parties apply immediately to all third parties, regardless of whether a third party has previously done business with the limited liability limited partnership.

Sec. 106. NEW SECTION. 488.1205 SAVINGS CLAUSE.

This chapter does not affect an action commenced, proceeding brought, or right accrued before this chapter takes effect.

Sec. 107. NEW SECTION. 488.1206 FEES.

1. The secretary of state shall collect the following fees when the documents described in this subsection are delivered to the secretary's office for filing:

- a. Certificate of limited partnership \$100
- b. Application for registration of foreign limited partnership and for issuance of a certificate of registration to transact business in this state \$100
- c. Amendment to certificate of limited partnership \$100
- d. Amendment to application for registration of foreign limited partnership \$100
- e. Cancellation of certificate of limited partnership \$ 20
- f. Cancellation of registration of foreign limited partnership \$ 20
- g. A consent required to be filed under this chapter \$ 20
- h. Application to reserve a limited partnership name \$ 10
- i. A notice of transfer of reservation of name \$ 10
- j. Articles of correction \$ 5
- k. Application for certificate of existence or registration \$ 5

- l. A statement of dissociation \$ 20
- m. A statement of dissolution \$ 20
- n. A statement of termination \$ 20
- o. A statement of change \$ 20
- p. Any other document required or permitted
to be filed \$ 5

2. The secretary of state shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary of state shall collect the following fees for copying and certifying the copy of any filed document relating to a limited partnership or foreign limited partnership:

- a. One dollar per page for copying.
- b. Five dollars for certification.

Sec. 108. NEW SECTION. 488.1207 EFFECTIVE DATE.

This chapter takes effect January 1, 2005, and applies as provided in section 488.1204 and in other sections of this chapter.

Sec. 109. Section 15E.149, Code 2003, is amended to read as follows:

15E.149 MULTIPLE CORPORATIONS.

The public directors, by a majority vote, may create more than one corporation. Each additional corporation shall be governed by this division. An additional corporation may act as a general partner in a limited partnership under chapter 487 or 488.

Sec. 110. Section 422.15, subsection 2, Code 2003, is amended to read as follows:

2. Every partnership including limited partnerships organized under chapter 487 or 488, having a place of business in the state, shall make a return, stating specifically the net income and capital gains (or losses) reported on the federal partnership return, the names and addresses of the partners, and their respective shares in said amounts.

Sec. 111. Section 486A.901, subsection 3, Code 2003, is amended to read as follows:

3. "Limited partnership" means a limited partnership created under chapter 487 or 488, predecessor law, or comparable law of another jurisdiction.

Sec. 112. Section 486A.902, subsection 5, Code 2003, is amended to read as follows:

5. A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the limited partner is liable for an obligation incurred by the limited partnership within ninety days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in chapter 487 or 488.

Sec. 113. Section 486A.906, subsection 4, Code 2003, is amended to read as follows:

4. If the obligations incurred before the merger by a party to the merger are not satisfied out of the property of the surviving partnership or limited partnership, the general partners of that party immediately before the effective date of the merger shall contribute the amount necessary to satisfy that party's obligations to the surviving entity, in the manner provided in section 486A.807 or in chapter 487 or 488 or under the law of the jurisdiction in which the party was formed, as the case may be, as if the merged party were dissolved.

Sec. 114. NEW SECTION. 487.1401 REPEAL OF CHAPTER.

This chapter is repealed effective January 1, 2006.

Sec. 115. Section 490A.1203, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. A limited partnership which is a party to a proposed merger shall have the plan of merger authorized and approved in the manner and by the vote required by its partnership agreement and in accordance with chapter 487 or 488.

Sec. 116. Section 669.14, subsection 11, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

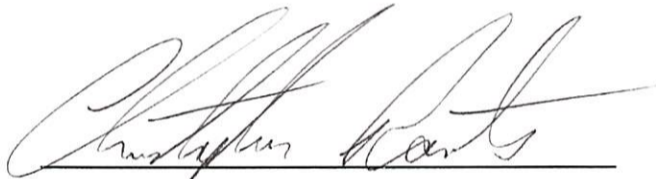
Any claim for financial loss based upon an act or omission in financial regulation, including but not limited to examinations, inspections, audits, or other financial oversight responsibilities, pursuant to chapters 87, 203,

203C, 203D, 421B, 486, ~~487~~ or the figure "487", ~~488~~, and 490 through 553, excluding chapters 540A, 542, 542B, 543B, 543C, 543D, 544A, and 544B.

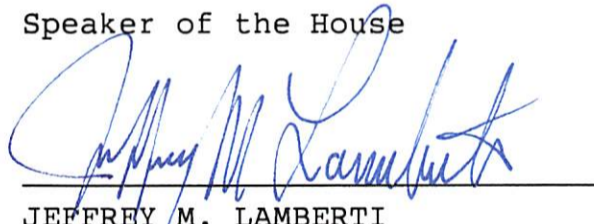
Sec. 117. Sections 15E.149, 422.15, 486A.901, 486A.902, 486A.906, 490A.1203, and 669.14, Code 2003, as amended by this Act, are amended by striking from the sections the figure and word "487 or" or the figure "487,".

Sec. 118. EFFECTIVE DATES. This Act takes effect January 1, 2005, except that section 117 of this Act takes effect January 1, 2006.

Sec. 119. CODE EDITOR DIRECTIVE. The Code editor shall correct, effective January 1, 2006, any outstanding references to chapter 487 in the Code or to be codified in the Code, when there appears to be no doubt as to the proper methods of making the correction.



CHRISTOPHER C. RANTS
Speaker of the House



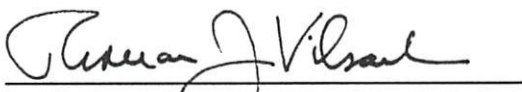
JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2347, Eightieth General Assembly.



MARGARET THOMSON
Chief Clerk of the House

Approved March 31, 2004



THOMAS J. VILSACK
Governor