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BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3049)  
(COMPANION TO LSB 5077HV BY  
COMMITTEE ON JUDICIARY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the uniform limited partnership Act and  
2 providing a penalty and effective dates.

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

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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

1 of a transferable interest owned by the transferee.

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

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

12 9. "Foreign limited partnership" means a partnership  
13 formed under the laws of a jurisdiction other than Iowa and  
14 required by those laws to have one or more general partners  
15 and one or more limited partners. The term includes a foreign  
16 limited liability limited partnership.

17 10. "General partner" means:

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

20 (1) A person that becomes a general partner under section  
21 488.401.

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

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

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

33 12. "Limited partner" means:

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

1 (1) A person that becomes a limited partner under section  
2 488.301.

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

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

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

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

18 15. "Partnership agreement" means the partners' agreement,  
19 whether oral, implied, in a record, or in any combination,  
20 concerning the limited partnership. The term includes the  
21 agreement as amended.

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

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

30 18. "Principal office" means the office where the  
31 principal executive office of a limited partnership or foreign  
32 limited partnership is located, whether or not the office is  
33 located in this state.

34 19. "Record" means information that is inscribed on a  
35 tangible medium or that is stored in an electronic or other

1 medium and is retrievable in perceivable form.

2 20. "Required information" means the information that a  
3 limited partnership is required to maintain under section  
4 488.111.

5 21. "Sign" means either of the following:

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

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

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

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

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

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

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

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

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

28 a. The person knows of it.

29 b. The person has received a notification of it.

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

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

33 3. A certificate of limited partnership on file in the  
34 office of the secretary of state is notice that the  
35 partnership is a limited partnership and the persons

1 designated in the certificate as general partners are general  
2 partners. Except as otherwise provided in subsection 4, the  
3 certificate is not notice of any other fact.

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

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

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

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

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

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

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

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

28 a. Notification comes to the person's attention.

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

32 7. Except as otherwise provided in subsection 8, a person  
33 other than an individual knows, has notice, or receives a  
34 notification of a fact for purposes of a particular  
35 transaction when the individual conducting the transaction for

1 the person knows, has notice, or receives a notification of  
2 the fact, or in any event when the fact would have been  
3 brought to the individual's attention if the person had  
4 exercised reasonable diligence. A person other than an  
5 individual exercises reasonable diligence if the person  
6 maintains reasonable routines for communicating significant  
7 information to the individual conducting the transaction for  
8 the person and there is reasonable compliance with the  
9 routines. Reasonable diligence does not require an individual  
10 acting for the person to communicate information unless the  
11 communication is part of the individual's regular duties or  
12 the individual has reason to know of the transaction and that  
13 the transaction would be materially affected by the  
14 information.

15 8. A general partner's knowledge, notice, or receipt of a  
16 notification of a fact relating to the limited partnership is  
17 effective immediately as knowledge of, notice to, or receipt  
18 of a notification by the limited partnership, except in the  
19 case of a fraud on the limited partnership committed by or  
20 with the consent of the general partner. A limited partner's  
21 knowledge, notice, or receipt of a notification of a fact  
22 relating to the limited partnership is not effective as  
23 knowledge of, notice to, or receipt of a notification by the  
24 limited partnership.

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

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

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

33 3. A limited partnership has a perpetual duration.

34 Sec. 5. NEW SECTION. 488.105 POWERS.

35 A limited partnership has the powers to do all things

1 necessary or convenient to carry on its activities, including  
2 the power to sue, be sued, and defend in its own name and to  
3 maintain an action against a partner for harm caused to the  
4 limited partnership by a breach of the partnership agreement  
5 or violation of a duty to the partnership.

6 Sec. 6. NEW SECTION. 488.106 GOVERNING LAW.

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

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

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

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

19 Sec. 8. NEW SECTION. 488.108 NAME.

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

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

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

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

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



1 this state.

2 b. Each name reserved under section 488.109, or under  
3 sections 486A.1001, 490.401, 490.402, 490A.401, 490A.402,  
4 504A.6, 504A.7, and 547.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 e. A foreign limited partnership formed under the name.

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

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

30 3. A person that has reserved a name under this section  
31 may deliver to the secretary of state for filing a notice of  
32 transfer that states the reserved name, the name and street  
33 and mailing address of some other person to which the  
34 reservation is to be transferred, and the paragraph of  
35 subsection 1 which applies to the other person. Subject to

1 section 488.206, subsection 3, the transfer is effective when  
2 the secretary of state files the notice of transfer.

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

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

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

13 a. Vary a limited partnership's power under section  
14 488.105 to sue, be sued, and defend in its own name.

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

17 c. Vary the requirements of section 488.204.

18 d. Vary the information required under section 488.111 or  
19 unreasonably restrict the right to information under section  
20 488.304 or 488.407, but the partnership agreement may impose  
21 reasonable restrictions on the availability and use of  
22 information obtained under those sections and may define  
23 appropriate remedies, including liquidated damages, for a  
24 breach of any reasonable restriction on use.

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

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

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

34 f. Unreasonably reduce the duty of care under section  
35 488.408, subsection 3.

1 g. Eliminate the obligation of good faith and fair dealing  
2 under section 488.305, subsection 2, and section 488.408,  
3 subsection 4, but the partnership agreement may prescribe the  
4 standards by which the performance of the obligation is to be  
5 measured, if the standards are not manifestly unreasonable.

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

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

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

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

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

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

24 Sec. 11. NEW SECTION. 488.111 REQUIRED INFORMATION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1      Sec. 13. NEW SECTION. 488.113 DUAL CAPACITY.

2      A person may be both a general partner and a limited  
3 partner. A person that is both a general and limited partner  
4 has the rights, powers, duties, and obligations provided by  
5 this chapter and the partnership agreement in each of those  
6 capacities. When the person acts as a general partner, the  
7 person is subject to the obligations, duties, and restrictions  
8 under this chapter and the partnership agreement for general  
9 partners. When the person acts as a limited partner, the  
10 person is subject to the obligations, duties, and restrictions  
11 under this chapter and the partnership agreement for limited  
12 partners.

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

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

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

19     b. An agent for service of process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 2. If a limited partnership or foreign limited partnership

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

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

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

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

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

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

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

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

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

34 Action requiring the consent of partners under this chapter  
35 may be taken without a meeting, and a partner may appoint a



1 proxy to consent or otherwise act for the partner by signing  
2 an appointment record, either personally or by the partner's  
3 attorney in fact.

4 ARTICLE II  
5 FORMATION -- CERTIFICATE OF LIMITED PARTNERSHIP  
6 AND OTHER FILINGS

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

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

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

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

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

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

22 e. Any additional information required by article 11.

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

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

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

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

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

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

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

19 a. The name of the limited partnership.

20 b. The date of filing of its initial certificate.

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

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

26 a. The admission of a new general partner.

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

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

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

35 a. Cause the certificate to be amended.

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

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

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

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

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

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

17 1. The name of the limited partnership.

18 2. The date of filing of its initial certificate of  
19 limited partnership.

20 3. Any other information as determined by the general  
21 partners filing the statement or by a person appointed  
22 pursuant to section 488.803, subsection 3 or 4.

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

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

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

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

33 c. An amendment designating as general partner a person  
34 admitted under section 488.801, subsection 3, paragraph "b",  
35 following the dissociation of a limited partnership's last

1 general partner must be signed by the new general partner.

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

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

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

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

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

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

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

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

26 g. A statement of termination must be signed by all  
27 general partners listed in the certificate or, if the  
28 certificate of a dissolved limited partnership lists no  
29 general partners, by the person appointed pursuant to section  
30 488.803, subsection 3 or 4, to wind up the dissolved limited  
31 partnership's activities.

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

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

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

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

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

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

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

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

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

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

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

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

1 combination or in the alternative.

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

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

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

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

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

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

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

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

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

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

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

12 3. Except as otherwise provided in sections 488.116 and  
13 488.207, a record delivered to the secretary of state for  
14 filing under this chapter may specify an effective time and a  
15 delayed effective date. Except as otherwise provided in this  
16 chapter, a record filed by the secretary of state is effective  
17 according to the following:

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

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

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

28 (1) The specified date.

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

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

33 (1) The specified date.

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

35 4. If the secretary of state refuses to file a document,

1 the secretary of state shall return it to the limited  
2 partnership or foreign limited partnership or its  
3 representative, together with a brief, written explanation of  
4 the reason for the refusal.

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

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

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

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

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

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

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

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

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

29 c. Correct the incorrect information or defective  
30 signature.

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

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



1 4.

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

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

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

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

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

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

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

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

- 1 a. The limited partnership's name.
- 2 b. That it was duly formed under the laws of this state
- 3 and the date of formation.
- 4 c. Whether all fees, taxes, and penalties under this
- 5 chapter or other law due to the secretary of state have been
- 6 paid.
- 7 d. Whether the limited partnership's most recent biennial
- 8 report required by section 488.210 has been filed by the
- 9 secretary of state.
- 10 e. Whether the secretary of state has administratively
- 11 dissolved the limited partnership.
- 12 f. Whether the limited partnership's certificate of
- 13 limited partnership has been amended to state that the limited
- 14 partnership is dissolved.
- 15 g. That a statement of termination has not been filed by
- 16 the secretary of state.
- 17 h. Other facts of record in the office of the secretary of
- 18 state which may be requested by the applicant.
- 19 2. The secretary of state, upon request and payment of the
- 20 requisite fee, shall furnish a certificate of authorization
- 21 for a foreign limited partnership if the records filed in the
- 22 office of the secretary of state show that the secretary of
- 23 state has filed a certificate of authority, has not revoked
- 24 the certificate of authority, and has not filed a notice of
- 25 cancellation. A certificate of authorization must state all
- 26 of the following:
  - 27 a. The foreign limited partnership's name and any
  - 28 alternate name adopted under section 488.905, subsection 1,
  - 29 for use in this state.
  - 30 b. That it is authorized to transact business in this
  - 31 state.
  - 32 c. Whether all fees, taxes, and penalties under this
  - 33 chapter or other law due to the secretary of state have been
  - 34 paid.
  - 35 d. Whether the foreign limited partnership's most recent

1 biennial report required by section 488.210 has been filed by  
2 the secretary of state.

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

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

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

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

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

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

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

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

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

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

34 3. If a biennial report does not contain the information  
35 required in subsection 1, the secretary of state shall

1 promptly notify the reporting limited partnership or foreign  
2 limited partnership and return the report to it for  
3 correction. If the report is corrected to contain the  
4 information required in subsection 1 and delivered to the  
5 secretary of state within thirty days after the effective date  
6 of the notice, it is timely delivered.

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

13 5. The first biennial report shall be delivered to the  
14 secretary of state between January 1 and April 1 of the first  
15 odd-numbered year following the calendar year in which a  
16 limited partnership was formed or a foreign limited  
17 partnership was authorized to transact business. Subsequent  
18 biennial reports must be delivered to the secretary of state  
19 between January 1 and April 1 of the following odd-numbered  
20 calendar years. A filing fee for the biennial report shall be  
21 determined by the secretary of state. For purposes of this  
22 section, each biennial report shall contain information  
23 related to the two-year period immediately preceding the  
24 calendar year in which the report is filed.

25 ARTICLE III

26 LIMITED PARTNERS

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

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

- 30 1. As provided in the partnership agreement.
- 31 2. As the result of a conversion or merger under article  
32 11.
- 33 3. With the consent of all the partners.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 b. The person seeks the information in good faith.

22 c. The person meets the requirements of subsection 2.

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

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

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

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

35 9. Whenever this chapter or a partnership agreement

1 provides for a limited partner to give or withhold consent to  
2 a matter, before the consent is given or withheld, the limited  
3 partnership shall, without demand, provide the limited partner  
4 with all information material to the limited partner's  
5 decision that the limited partnership knows.

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

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

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

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

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

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

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

31 1. Except as otherwise provided in subsection 2, a person  
32 that makes an investment in a business enterprise and  
33 erroneously but in good faith believes that the person has  
34 become a limited partner in the enterprise is not liable for  
35 the enterprise's obligations by reason of making the

1 investment, receiving distributions from the enterprise, or  
2 exercising any rights of or appropriate to a limited partner,  
3 if, on ascertaining the mistake, the person does either of the  
4 following:

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

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

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

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

28 ARTICLE IV

29 GENERAL PARTNERS

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

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

33 1. As provided in the partnership agreement.

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



1 general partner.

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

4 4. With the consent of all the partners.

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

7 1. Each general partner is an agent of the limited  
8 partnership for the purposes of its activities. An act of a  
9 general partner, including the signing of a record in the  
10 partnership's name, for apparently carrying on in the ordinary  
11 course the limited partnership's activities or activities of  
12 the kind carried on by the limited partnership binds the  
13 limited partnership, unless the general partner did not have  
14 authority to act for the limited partnership in the particular  
15 matter and the person with which the general partner was  
16 dealing knew, had received a notification, or had notice under  
17 section 488.103, subsection 4, that the general partner lacked  
18 authority.

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

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

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

33 2. If, in the course of the limited partnership's  
34 activities or while acting with authority of the limited  
35 partnership, a general partner receives or causes the limited

1 partnership to receive money or property of a person not a  
2 partner, and the money or property is misapplied by a general  
3 partner, the limited partnership is liable for the loss.

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

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

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

14 3. An obligation of a limited partnership incurred while  
15 the limited partnership is a limited liability limited  
16 partnership, whether arising in contract, tort, or otherwise,  
17 is solely the obligation of the limited partnership. A  
18 general partner is not personally liable, directly or  
19 indirectly, by way of contribution or otherwise, for such an  
20 obligation solely by reason of being or acting as a general  
21 partner. This subsection applies despite anything  
22 inconsistent in the partnership agreement that existed  
23 immediately before the consent required to become a limited  
24 liability limited partnership under section 488.406,  
25 subsection 2, paragraph "b".

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

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

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

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

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

9 b. The limited partnership is a debtor in bankruptcy.

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

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

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

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

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

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

32 a. Amend the partnership agreement.

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

1 partnership.

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

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

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

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

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

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

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

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

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

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

34 a. Without demand, any information concerning the limited  
35 partnership's activities and financial condition reasonably

1 required for the proper exercise of the general partner's  
2 rights and duties under the partnership agreement or this  
3 chapter.

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

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

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

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

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

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

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

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

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

33 8. A general partner or person dissociated as a general  
34 partner may exercise the rights under this section through an  
35 attorney or other agent. Any restriction imposed under

1 subsection 6 or by the partnership agreement applies both to  
2 the attorney or other agent and to the general partner or  
3 person dissociated as a general partner.

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

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

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

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

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

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

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

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

1 law.

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

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

10

ARTICLE V

11

CONTRIBUTIONS AND DISTRIBUTIONS

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

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

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

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

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

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

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

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

7 Sec. 46. NEW SECTION. 488.504 INTERIM DISTRIBUTIONS.

8 A partner does not have a right to any distribution before  
9 the dissolution and winding up of the limited partnership  
10 unless the limited partnership decides to make an interim  
11 distribution.

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

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

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

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

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

24 When a partner or transferee becomes entitled to receive a  
25 distribution, the partner or transferee has the status of, and  
26 is entitled to all remedies available to, a creditor of the  
27 limited partnership with respect to the distribution.

28 However, the limited partnership's obligation to make a  
29 distribution is subject to offset for any amount owed to the  
30 limited partnership by the partner or dissociated partner on  
31 whose account the distribution is made.

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

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



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

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

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

14 3. A limited partnership may base a determination that a  
15 distribution is not prohibited under subsection 2 on financial  
16 statements prepared on the basis of accounting practices and  
17 principles that are reasonable in the circumstances or on a  
18 fair valuation or other method that is reasonable in the  
19 circumstances.

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

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

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

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

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

34 5. A limited partnership's indebtedness to a partner  
35 incurred by reason of a distribution made in accordance with

1 this section is at parity with the limited partnership's  
2 indebtedness to its general, unsecured creditors.

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

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

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

16 1. A general partner that consents to a distribution made  
17 in violation of section 488.508 is personally liable to the  
18 limited partnership for the amount of the distribution which  
19 exceeds the amount that could have been distributed without  
20 the violation if it is established that in consenting to the  
21 distribution the general partner failed to comply with section  
22 488.408.

23 2. A partner or transferee that received a distribution  
24 knowing that the distribution to that partner or transferee  
25 was made in violation of section 488.508 is personally liable  
26 to the limited partnership but only to the extent that the  
27 distribution received by the partner or transferee exceeded  
28 the amount that could have been properly paid under section  
29 488.508.

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

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

34 b. Implead in the action any person that received a  
35 distribution in violation of subsection 2 and compel

1 contribution from the person in the amount the person received  
2 in violation of subsection 2.

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

5 ARTICLE VI

6 DISSOCIATION

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

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

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

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

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

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

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

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

27 (2) There has been a transfer of all of the person's  
28 transferable interest in the limited partnership, other than a  
29 transfer for security purposes, or a court order charging the  
30 person's interest, which has not been foreclosed.

31 (3) The person is a corporation and, within ninety days  
32 after the limited partnership notifies the person that it will  
33 be expelled as a limited partner because it has filed a  
34 certificate of dissolution or the equivalent, its charter has  
35 been revoked, or its right to conduct business has been

1 suspended by the jurisdiction of its incorporation, there is  
2 no revocation of the certificate of dissolution or no  
3 reinstatement of its charter or its right to conduct business.

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

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

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

12 (2) The person willfully or persistently committed a  
13 material breach of the partnership agreement or of the  
14 obligation of good faith and fair dealing under section  
15 488.305, subsection 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 2. An event agreed to in the partnership agreement as

1 causing the person's dissociation as a general partner.

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

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

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

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

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

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

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

21 b. The person willfully or persistently committed a  
22 material breach of the partnership agreement or of a duty owed  
23 to the partnership or the other partners under section  
24 488.408.

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

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

30 a. Becomes a debtor in bankruptcy.

31 b. Executes an assignment for the benefit of creditors.

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

35 d. Fails, within ninety days after the appointment, to

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

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

11 (1) There is no revocation of the articles of dissolution  
12 or no reinstatement of its charter of its right to conduct  
13 business within ninety days after such filing, revocation, or  
14 suspension.

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

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

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

26 a. The person's death.

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

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

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

1 substitution of a successor trustee.

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

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

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

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

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

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

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

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

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

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

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

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

35 (3) The person is dissociated as a general partner by



1 becoming a debtor in bankruptcy.

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

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

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

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

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

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

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

26 d. The person may sign and deliver to the secretary of  
27 state for filing a statement of dissociation pertaining to the  
28 person and, at the request of the limited partnership, shall  
29 sign an amendment to the certificate of limited partnership  
30 which states that the person has dissociated.

31 e. Subject to section 488.704 and article 11, any  
32 transferable interest owned by the person immediately before  
33 dissociation in the person's capacity as a general partner is  
34 owned by the person as a mere transferee.

35 2. A person's dissociation as a general partner does not

1 of itself discharge the person from any obligation to the  
2 limited partnership or the other partners which the person  
3 incurred while a general partner.

4 Sec. 57. NEW SECTION. 488.606 POWER TO BIND -- LIABILITY  
5 TO LIMITED PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF  
6 PERSON DISSOCIATED AS GENERAL PARTNER.

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

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

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

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

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

21 2. If a limited partnership is bound under subsection 1,  
22 the person dissociated as a general partner which caused the  
23 limited partnership to be bound is liable to the following:

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

27 b. If a general partner or another person dissociated as a  
28 general partner is liable for the obligation, to the general  
29 partner or other person for any damage caused to the general  
30 partner or other person arising from the liability.

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

33 1. A person's dissociation as a general partner does not  
34 of itself discharge the person's liability as a general  
35 partner for an obligation of the limited partnership incurred

1 before dissociation. Except as otherwise provided in  
2 subsections 2 and 3, the person is not liable for a limited  
3 partnership's obligation incurred after dissociation.

4 2. A person whose dissociation as a general partner  
5 resulted in a dissolution and winding up of the limited  
6 partnership's activities is liable to the same extent as a  
7 general partner under section 488.404 on an obligation  
8 incurred by the limited partnership under section 488.804.

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

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

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

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

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

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

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

32 ARTICLE VII

33 TRANSFERABLE INTERESTS AND RIGHTS

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

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

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

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

8 a. It is permissible.

9 b. It does not by itself cause the partner's dissociation  
10 or a dissolution and winding up of the limited partnership's  
11 activities.

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

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

21 a. Distributions to which the transferor would otherwise  
22 be entitled.

23 b. Upon the dissolution and winding up of the limited  
24 partnership's activities, the net amount otherwise  
25 distributable to the transferor.

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

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

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

35 6. A transfer of a partner's transferable interest in the

1 limited partnership in violation of a restriction on transfer  
2 contained in the partnership agreement is ineffective as to a  
3 person having notice of the restriction at the time of  
4 transfer.

5 7. A transferee that becomes a partner with respect to a  
6 transferable interest is liable for the transferor's  
7 obligations under sections 488.502 and 488.509. However, the  
8 transferee is not obligated for liabilities unknown to the  
9 transferee at the time the transferee became a partner.

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

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

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

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

30 a. By the judgment debtor.

31 b. With property other than limited partnership property,  
32 by one or more of the other partners.

33 c. With limited partnership property, by the limited  
34 partnership with the consent of all partners whose interests  
35 are not so charged.

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

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

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

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

14 ARTICLE VIII

15 DISSOLUTION

16 Sec. 63. NEW SECTION. 488.801 NONJUDICIAL DISSOLUTION.

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

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

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

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

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

34 b. If the limited partnership does not have a remaining  
35 general partner, the passage of ninety days after the

1 dissociation, unless before the end of the period, all of the  
2 following occur:

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

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

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

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

16 Sec. 64. NEW SECTION. 488.802 JUDICIAL DISSOLUTION.

17 On application by or for a partner, the district court for  
18 the county in which the office described in section 488.114,  
19 subsection 1, paragraph "a", is located may order dissolution  
20 of a limited partnership if it is not reasonably practicable  
21 to carry on the activities of the limited partnership in  
22 conformity with the partnership agreement.

23 Sec. 65. NEW SECTION. 488.803 WINDING UP.

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

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

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

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

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

10 a. Has the powers of a general partner under section  
11 488.804.

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

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

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

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

19 4. On the application of any partner, the district court  
20 in the county in which the office described in section  
21 488.144, subsection 1, paragraph "a", is located may order  
22 judicial supervision of the winding up, including the  
23 appointment of a person to wind up the dissolved limited  
24 partnership's activities, if any of the following applies:

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

28 b. The applicant establishes other good cause.

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

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

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



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

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

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

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

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

15 b. At least one of the following applies:

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

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

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

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

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

34 b. If another general partner or a person dissociated as a  
35 general partner is liable for the obligation, to that other

1 general partner or person for any damage caused to that other  
2 general partner or person arising from the liability.

3 2. If a person dissociated as a general partner causes a  
4 limited partnership to incur an obligation under section  
5 488.804, subsection 2, the person is liable for all of the  
6 following:

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

9 b. If a general partner or another person dissociated as a  
10 general partner is liable for the obligation, to the general  
11 partner or other person for any damage caused to the general  
12 partner or other person arising from the liability.

13 Sec. 68. NEW SECTION. 488.806 KNOWN CLAIMS AGAINST  
14 DISSOLVED LIMITED PARTNERSHIP.

15 1. A dissolved limited partnership may dispose of the  
16 known claims against it by following the procedure described  
17 in subsection 2.

18 2. A dissolved limited partnership may notify its known  
19 claimants of the dissolution in a record. The notice must do  
20 all of the following:

21 a. Specify the information required to be included in a  
22 claim.

23 b. Provide a mailing address to which the claim is to be  
24 sent.

25 c. State the deadline for receipt of the claim, which may  
26 not be less than one hundred twenty days after the date the  
27 notice is received by the claimant.

28 d. State that the claim will be barred if not received by  
29 the deadline.

30 e. Unless the limited partnership has been throughout its  
31 existence a limited liability limited partnership or elected  
32 under prior law to become a limited liability limited  
33 partnership, state that the barring of a claim against the  
34 limited partnership will also bar any corresponding claim  
35 against any general partner or person dissociated as a general

1 partner which is based on section 488.404.

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

5 a. The claim is not received by the specified deadline.

6 b. In the case of a claim that is timely received but  
7 rejected by the dissolved limited partnership, the claimant  
8 does not commence an action to enforce the claim against the  
9 limited partnership within ninety days after the receipt of  
10 the notice of the rejection.

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

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

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

20 2. The notice must do all of the following:

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

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

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

32 d. Unless the limited partnership has been throughout its  
33 existence a limited liability limited partnership or elected  
34 under prior law to become a limited liability limited  
35 partnership, state that the barring of a claim against the

1 limited partnership will also bar any corresponding claim  
2 against any general partner or person dissociated as a general  
3 partner which is based on section 488.404.

4 3. If a dissolved limited partnership publishes a notice  
5 in accordance with subsection 2, the claim of each of the  
6 following claimants is barred unless the claimant commences an  
7 action to enforce the claim against the dissolved limited  
8 partnership within five years after the publication date of  
9 the notice:

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

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

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

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

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

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

27 c. Against any person liable on the claim under section  
28 488.404.

29 Sec. 70. NEW SECTION. 488.808 COURT PROCEEDINGS.

30 1. A dissolved limited partnership that has published a  
31 notice under section 488.807 may file an application with the  
32 district court of the county in which the office described in  
33 section 488.114 is located for a determination of the amount  
34 and form of security to be provided for the payment of claims  
35 that are contingent or have not been made known to the

1 dissolved limited partnership or that are based on an event  
2 occurring after the effective date of dissolution but that  
3 based on the facts known to the dissolved limited partnership,  
4 are reasonably estimated to arise after the effective date of  
5 dissolution. Provision need not be made for any claim that is  
6 or is reasonably anticipated to be barred under section  
7 488.807.

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

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

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

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

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

32 Sec. 72. NEW SECTION. 488.809 ADMINISTRATIVE  
33 DISSOLUTION.

34 1. The secretary of state may dissolve a limited  
35 partnership administratively if the limited partnership does

1 not, within sixty days after the due date, do any of the  
2 following:

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

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

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

11 3. If within sixty days after service of the copy the  
12 limited partnership does not correct each ground for  
13 dissolution or demonstrate to the reasonable satisfaction of  
14 the secretary of state that each ground determined by the  
15 secretary of state does not exist, the secretary of state  
16 shall administratively dissolve the limited partnership by  
17 preparing, signing, and filing a declaration of dissolution  
18 that states the grounds for dissolution. The secretary of  
19 state shall serve the limited partnership with a copy of the  
20 filed declaration.

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

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

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

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

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

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

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

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

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

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

21 1. If the secretary of state denies a limited  
22 partnership's application for reinstatement following  
23 administrative dissolution, the secretary of state shall  
24 prepare, sign, and file a notice that explains the reason or  
25 reasons for denial and serve the limited partnership with a  
26 copy of the notice.

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

35 3. The court may summarily order the secretary of state to

1 reinstate the dissolved limited partnership or may take other  
2 action the court considers appropriate.

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

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

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

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

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

27 b. If a person does not contribute the full amount  
28 required under paragraph "a" with respect to an unsatisfied  
29 obligation of the limited partnership, the other persons  
30 required to contribute by paragraph "a" on account of the  
31 obligation shall contribute the additional amount necessary to  
32 discharge the obligation. The additional contribution due  
33 from each of those other persons is in proportion to the right  
34 to receive distributions in the capacity of general partner in  
35 effect for each of those other persons when the obligation was



1 incurred.

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

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

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

16 6. An assignee for the benefit of creditors of a limited  
17 partnership or a partner, or a person appointed by a court to  
18 represent creditors of a limited partnership or a partner, may  
19 enforce a person's obligation to contribute under subsection  
20 3.

21 ARTICLE IX

22 FOREIGN LIMITED PARTNERSHIPS

23 Sec. 76. NEW SECTION. 488.901 GOVERNING LAW.

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

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

34 3. A certificate of authority does not authorize a foreign  
35 limited partnership to engage in any business or exercise any

1 power that a limited partnership shall not engage in or  
2 exercise in this state.

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

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

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

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

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

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

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

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

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

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

35 1. Activities of a foreign limited partnership which do

1 not constitute transacting business in this state within the  
2 meaning of this article include all of the following:

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

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

7 c. Maintaining accounts in financial institutions.

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

12 e. Selling through independent contractors.

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

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

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

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

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

26 k. Transacting business in interstate commerce.

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

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

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

1 AUTHORITY.

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

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

12 1. A foreign limited partnership whose name does not  
13 comply with section 488.108 shall not obtain a certificate of  
14 authority until it adopts, for the purpose of transacting  
15 business in this state, an alternate name that complies with  
16 section 488.108. A foreign limited partnership that adopts an  
17 alternate name under this subsection and then obtains a  
18 certificate of authority with the name need not also comply  
19 with chapter 547. After obtaining a certificate of authority  
20 with an alternate name, a foreign limited partnership shall  
21 transact business in this state under the name unless the  
22 foreign limited partnership is authorized under chapter 547 to  
23 transact business in this state under another name.

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

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

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

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

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

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

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

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

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

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

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

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

34 1. In order to cancel its certificate of authority to  
35 transact business in this state, a foreign limited partnership

1 must deliver to the secretary of state for filing a notice of  
2 cancellation. The certificate is canceled when the notice  
3 becomes effective under section 488.206.

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

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

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

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

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

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

29 ARTICLE X

30 ACTIONS BY PARTNERS

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

32 1. Subject to subsection 2, a partner may maintain a  
33 direct action against the limited partnership or another  
34 partner for legal or equitable relief, with or without an  
35 accounting as to the partnership's activities, to enforce the

1 rights and otherwise protect the interests of the partner,  
2 including rights and interests under the partnership agreement  
3 or this chapter or arising independently of the partnership  
4 relationship.

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

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

13 Sec. 85. NEW SECTION. 488.1002 DERIVATIVE ACTION.

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

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

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

26 Sec. 86. NEW SECTION. 488.1003 PROPER PLAINTIFF.

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

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

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

1     Sec. 87. NEW SECTION. 488.1004 PLEADING.

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

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

8     1. Except as otherwise provided in subsection 2:

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

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

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

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

24                                   ARTICLE XI

25                                   CONVERSION AND MERGER

26    Sec. 89. NEW SECTION. 488.1101 DEFINITIONS.

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

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

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

33    3. "Converted organization" means the organization into  
34 which a converting organization converts pursuant to sections  
35 488.1102 through 488.1105.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 90. NEW SECTION. 488.1102 CONVERSION.

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

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

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

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

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

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

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

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

7 d. The organizational documents of the converted  
8 organization.

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

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

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

19 a. As provided in the plan.

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

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

24 1. After a plan of conversion is approved:

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

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

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

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

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

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

4 (6) If the converted organization is a foreign  
5 organization not authorized to transact business in this  
6 state, the street and mailing address of an office which the  
7 secretary of state may use for the purposes of section  
8 488.1105, subsection 3.

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

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

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

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

21 2. A conversion becomes effective according to the  
22 following:

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

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

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

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

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

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

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

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

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

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

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

16 3. A converted organization that is a foreign organization  
17 consents to the jurisdiction of the courts of this state to  
18 enforce any obligation owed by the converting limited  
19 partnership, if before the conversion the converting limited  
20 partnership was subject to suit in this state on the  
21 obligation. A converted organization that is a foreign  
22 organization and not authorized to transact business in this  
23 state appoints the secretary of state as its agent for service  
24 of process for purposes of enforcing an obligation under this  
25 subsection. Service on the secretary of state under this  
26 subsection is made in the same manner and with the same  
27 consequences as in section 488.117, subsections 3 and 4.

28 Sec. 94. NEW SECTION. 488.1106 MERGERS.

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

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

35 b. The merger is not prohibited by the law of a

1 jurisdiction that enacted any of those governing statutes.

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

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

6 a. The name and form of each constituent organization.

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

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

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

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

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

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

25 2. Subject to section 488.1110 and any contractual rights,  
26 after a merger is approved, and at any time before a filing is  
27 made under section 488.1108, a constituent limited partnership  
28 may amend the plan or abandon the planned merger according to  
29 any or all the following:

30 a. As provided in the plan.

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

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

35 1. After each constituent organization has approved a

1 merger, articles of merger must be signed on behalf of all of  
2 the following:

3 a. Each preexisting constituent limited partnership, by  
4 each general partner listed in the certificate of limited  
5 partnership.

6 b. Each other preexisting constituent organization, by an  
7 authorized representative.

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

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

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

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

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

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

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

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

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

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

35 h. Any additional information required by the governing

1 statute of any constituent organization.

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

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

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

9 (1) Compliance with subsection 3.

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

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

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

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

18 a. The surviving organization continues or comes into  
19 existence.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

35 a. The limited partnership's partnership agreement

1 provides for the approval of the conversion or merger with the  
2 consent of fewer than all the partners.

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

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

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

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

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

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

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

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

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

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

35 (1) The person has a right of contribution from each other

1 person that was liable as a general partner under section  
2 488.404 when the obligation was incurred and has not been  
3 released from the obligation under section 488.607.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 Sec. 100. NEW SECTION. 488.1112 POWER OF GENERAL  
19 PARTNERS AND PERSONS DISSOCIATED AS GENERAL PARTNERS TO BIND  
20 ORGANIZATION AFTER CONVERSION OR MERGER.

21 1. An act of a person that immediately before a conversion  
22 or merger became effective was a general partner in a  
23 converting or constituent limited partnership binds the  
24 converted or surviving organization after the conversion or  
25 merger becomes effective, if all of the following apply:

26 a. Before the conversion or merger became effective, the  
27 act would have bound the converting or constituent limited  
28 partnership under section 488.402.

29 b. At the time the third party enters into the  
30 transaction, all of the following apply to the third party:

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

33 (2) The third party reasonably believes that the converted  
34 or surviving business is the converting or constituent limited  
35 partnership and that the person is a general partner in the

1 converting or constituent limited partnership.

2 2. An act of a person that before a conversion or merger  
3 became effective was dissociated as a general partner from a  
4 converting or constituent limited partnership binds the  
5 converted or surviving organization after the conversion or  
6 merger becomes effective, if all of the following apply:

7 a. Before the conversion or merger became effective, the  
8 act would have bound the converting or constituent limited  
9 partnership under section 488.402 if the person had been a  
10 general partner.

11 b. At the time the third party enters into the  
12 transaction, less than two years have passed since the person  
13 dissociated as a general partner and all of the following  
14 apply to the third party:

15 (1) The third party does not have notice of the  
16 dissociation.

17 (2) The third party does not have notice of the conversion  
18 or merger.

19 (3) The third party reasonably believes that the converted  
20 or surviving organization is the converting or constituent  
21 limited partnership and that the person is a general partner  
22 in the converting or constituent limited partnership.

23 3. If a person having knowledge of the conversion or  
24 merger causes a converted or surviving organization to incur  
25 an obligation under subsection 1 or 2, the person is liable to  
26 either or both of the following:

27 a. To the converted or surviving organization for any  
28 damage caused to the organization arising from the obligation.

29 b. If another person is liable for the obligation, to that  
30 other person for any damage caused to that other person  
31 arising from the liability.

32 Sec. 101. NEW SECTION. 488.1113 ARTICLE NOT EXCLUSIVE.

33 This article does not preclude an entity from being  
34 converted or merged under other law.

35

ARTICLE XII

1 MISCELLANEOUS PROVISIONS

2 Sec. 102. NEW SECTION. 488.1201 UNIFORMITY OF  
3 APPLICATION AND CONSTRUCTION.

4 In applying and construing this chapter, consideration must  
5 be given to the need to promote uniformity of the law with  
6 respect to its subject matter among states that enact it.

7 Sec. 103. NEW SECTION. 488.1202 SEVERABILITY.

8 If any provision of this chapter or its application to any  
9 person or circumstance is held invalid, the invalidity does  
10 not affect other provisions or applications of this chapter  
11 which can be given effect without the invalid provision or  
12 application, and to this end the provisions of this chapter  
13 are severable.

14 Sec. 104. NEW SECTION. 488.1203 RELATION TO ELECTRONIC  
15 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

16 This chapter modifies, limits, or supersedes the federal  
17 Electronic Signatures in Global and National Commerce Act, 15  
18 U.S.C. § 7001 et seq., but this chapter does not modify,  
19 limit, or supersede section 101(c) of that Act or authorize  
20 electronic delivery of any of the notices described in section  
21 103(b) of that Act.

22 Sec. 105. NEW SECTION. 488.1204 APPLICATION TO EXISTING  
23 RELATIONSHIPS.

24 1. Before January 1, 2006, this chapter governs only the  
25 following:

26 a. A limited partnership formed on or after January 1,  
27 2005.

28 b. Except as otherwise provided in subsections 3 and 4, a  
29 limited partnership formed before January 1, 2005, that  
30 elects, in the manner provided in its partnership agreement or  
31 by law for amending the partnership agreement, to be subject  
32 to this chapter.

33 2. Except as otherwise provided in subsection 3, on and  
34 after January 1, 2006, this chapter governs all limited  
35 partnerships.

1 3. With respect to a limited partnership formed before  
2 January 1, 2005, the following rules apply except as the  
3 partners otherwise elect in the manner provided in the  
4 partnership agreement or by law for amending the partnership  
5 agreement:

6 a. Section 488.104, subsection 3, does not apply and the  
7 limited partnership has whatever duration it had under the law  
8 applicable immediately before January 1, 2005.

9 b. The limited partnership is not required to amend its  
10 certificate of limited partnership to comply with section  
11 488.201, subsection 1, paragraph "d".

12 c. Sections 488.505, 488.601, and 488.602 do not apply,  
13 and a limited partner has the same right and power to  
14 dissociate from the limited partnership, with the same  
15 consequences, as existed immediately before January 1, 2005.

16 d. Section 488.603, subsection 4, does not apply.

17 e. Section 488.603, subsection 5, does not apply, and a  
18 court has the same power to expel a general partner as the  
19 court had immediately before January 1, 2005.

20 f. Section 488.801, subsection 3, does not apply and the  
21 connection between a person's dissociation as a general  
22 partner and the dissolution of the limited partnership is the  
23 same as existed immediately before January 1, 2005.

24 g. If a limited partnership elected under prior law to  
25 become a limited liability limited partnership by filing a  
26 statement of qualification with the secretary of state, the  
27 statement of qualification is deemed to be an amendment to the  
28 certificate of limited partnership in compliance with section  
29 488.201, subsection 1, paragraph "d", and the limited  
30 liability limited partnership automatically is a limited  
31 liability limited partnership under this chapter.

32 4. With respect to a limited partnership that elects  
33 pursuant to subsection 1, paragraph "b", to be subject to this  
34 chapter, after the election takes effect, the provisions of  
35 this chapter relating to the liability of the limited

1 partnership's general partners to third parties apply  
2 according to the following:

3 a. Before January 1, 2006, to all of the following:

4 (1) A third party that had not done business with the  
5 limited partnership in the year before the election took  
6 effect.

7 (2) A third party that had done business with the limited  
8 partnership in the year before the election took effect only  
9 if the third party knows or has received a notification of the  
10 election.

11 b. On and after January 1, 2006, to all third parties, but  
12 those provisions remain inapplicable to any obligation  
13 incurred while those provisions were inapplicable under  
14 paragraph "a", subparagraph (2).

15 c. Notwithstanding the foregoing provisions of this  
16 subsection, if a preexisting limited liability limited  
17 partnership elects to be subject to this chapter prior to  
18 January 1, 2006, this chapter's provisions relating to the  
19 liability of general partners to third parties apply  
20 immediately to all third parties, regardless of whether a  
21 third party has previously done business with the limited  
22 liability limited partnership.

23 Sec. 106. NEW SECTION. 488.1205 SAVINGS CLAUSE.

24 This chapter does not affect an action commenced,  
25 proceeding brought, or right accrued before this chapter takes  
26 effect.

27 Sec. 107. NEW SECTION. 488.1206 FEES.

28 1. The secretary of state shall collect the following fees  
29 when the documents described in this subsection are delivered  
30 to the secretary's office for filing:

31 a. Certificate of limited partnership ..... \$100

32 b. Application for registration of foreign  
33 limited partnership and for issuance of a  
34 certificate of registration to transact business  
35 in this state ..... \$100



- 1 c. Amendment to certificate of limited
- 2 partnership ..... \$100
- 3 d. Amendment to application for registration
- 4 of foreign limited partnership ..... \$100
- 5 e. Cancellation of certificate of limited
- 6 partnership ..... \$ 20
- 7 f. Cancellation of registration of foreign
- 8 limited partnership ..... \$ 20
- 9 g. A consent required to be filed under this
- 10 chapter ..... \$ 20
- 11 h. Application to reserve a limited partnership
- 12 name ..... \$ 10
- 13 i. A notice of transfer of reservation of name ..... \$ 10
- 14 j. Articles of correction ..... \$ 5
- 15 k. Application for certificate of existence or
- 16 registration ..... \$ 5
- 17 l. A statement of dissociation ..... \$ 20
- 18 m. A statement of dissolution ..... \$ 20
- 19 n. A statement of termination ..... \$ 20
- 20 o. A statement of change ..... \$ 20
- 21 p. Any other document required or permitted
- 22 to be filed ..... \$ 5
- 23 2. The secretary of state shall collect a fee of five
- 24 dollars each time process is served on the secretary under
- 25 this chapter. The party to a proceeding causing service of
- 26 process is entitled to recover this fee as costs if the party
- 27 prevails in the proceeding.
- 28 3. The secretary of state shall collect the following fees
- 29 for copying and certifying the copy of any filed document
- 30 relating to a limited partnership or foreign limited
- 31 partnership:
- 32 a. One dollar per page for copying.
- 33 b. Five dollars for certification.
- 34 Sec. 108. NEW SECTION. 488.1207 EFFECTIVE DATE.
- 35 This chapter takes effect January 1, 2005, and applies as

1 provided in section 488.1204 and in other sections of this  
2 chapter.

3 Sec. 109. Section 15E.149, Code 2003, is amended to read  
4 as follows:

5 15E.149 MULTIPLE CORPORATIONS.

6 The public directors, by a majority vote, may create more  
7 than one corporation. Each additional corporation shall be  
8 governed by this division. An additional corporation may act  
9 as a general partner in a limited partnership under chapter  
10 487 or 488.

11 Sec. 110. Section 422.15, subsection 2, Code 2003, is  
12 amended to read as follows:

13 2. Every partnership including limited partnerships  
14 organized under chapter 487 or 488, having a place of business  
15 in the state, shall make a return, stating specifically the  
16 net income and capital gains (or losses) reported on the  
17 federal partnership return, the names and addresses of the  
18 partners, and their respective shares in said amounts.

19 Sec. 111. Section 486A.901, subsection 3, Code 2003, is  
20 amended to read as follows:

21 3. "Limited partnership" means a limited partnership  
22 created under chapter 487 or 488, predecessor law, or  
23 comparable law of another jurisdiction.

24 Sec. 112. Section 486A.902, subsection 5, Code 2003, is  
25 amended to read as follows:

26 5. A general partner who becomes a limited partner as a  
27 result of the conversion remains liable as a general partner  
28 for an obligation incurred by the partnership before the  
29 conversion takes effect. If the other party to a transaction  
30 with the limited partnership reasonably believes when entering  
31 the transaction that the limited partner is a general partner,  
32 the limited partner is liable for an obligation incurred by  
33 the limited partnership within ninety days after the  
34 conversion takes effect. The limited partner's liability for  
35 all other obligations of the limited partnership incurred

1 after the conversion takes effect is that of a limited partner  
2 as provided in chapter 487 or 488.

3 Sec. 113. Section 486A.906, subsection 4, Code 2003, is  
4 amended to read as follows:

5 4. If the obligations incurred before the merger by a  
6 party to the merger are not satisfied out of the property of  
7 the surviving partnership or limited partnership, the general  
8 partners of that party immediately before the effective date  
9 of the merger shall contribute the amount necessary to satisfy  
10 that party's obligations to the surviving entity, in the  
11 manner provided in section 486A.807 or in chapter 487 or 488  
12 or under the law of the jurisdiction in which the party was  
13 formed, as the case may be, as if the merged party were  
14 dissolved.

15 Sec. 114. NEW SECTION. 487.1401 REPEAL OF CHAPTER.

16 This chapter is repealed effective January 1, 2006.

17 Sec. 115. Section 490A.1203, subsection 1, paragraph c,  
18 Code 2003, is amended to read as follows:

19 c. A limited partnership which is a party to a proposed  
20 merger shall have the plan of merger authorized and approved  
21 in the manner and by the vote required by its partnership  
22 agreement and in accordance with chapter 487 or 488.

23 Sec. 116. Section 669.14, subsection 11, unnumbered  
24 paragraph 1, Code Supplement 2003, is amended to read as  
25 follows:

26 Any claim for financial loss based upon an act or omission  
27 in financial regulation, including but not limited to  
28 examinations, inspections, audits, or other financial  
29 oversight responsibilities, pursuant to chapters 87, 203,  
30 203C, 203D, 421B, 486, 487 or the figure "487", 488, and 490  
31 through 553, excluding chapters 540A, 542, 542B, 543B, 543C,  
32 543D, 544A, and 544B.

33 Sec. 117. Sections 15E.149, 422.15, 486A.901, 486A.902,  
34 486A.906, 490A.1203, and 669.14, Code 2003, as amended by this  
35 Act, are amended by striking from the sections the figure and

1 word "487 or" or the figure "487,".

2 Sec. 118. EFFECTIVE DATES. This Act takes effect January  
3 1, 2005, except that section 117 of this Act takes effect  
4 January 1, 2006.

5 Sec. 119. CODE EDITOR DIRECTIVE. The Code editor shall  
6 correct, effective January 1, 2006, any outstanding references  
7 to chapter 487 in the Code or to be codified in the Code, when  
8 there appears to be no doubt as to the proper methods of  
9 making the correction.

10

EXPLANATION

11 This bill is based on an updated version of the Uniform  
12 Limited Partnership Act, approved by the National Conference  
13 of Commissioners on Uniform State Laws in 2002. The bill has  
14 been formatted to be consistent with other Iowa statutes, and  
15 certain provisions of the bill have been changed to be  
16 consistent with other business laws in Iowa.

17 A limited partnership may be established for any lawful  
18 purpose; may exist for a perpetual duration or as provided in  
19 the partnership agreement; may use names of the limited  
20 partners in the name of the partnership; and must file a  
21 biennial report with the secretary of state. Recordkeeping  
22 for all forms required under the chapter is centralized in the  
23 secretary of state's office, and a schedule of fees is  
24 provided. The chapter does allow the secretary of state to  
25 specify the acceptable format for filing.

26 A limited partner has no liability for the debts of the  
27 entity, even if the limited partner participates in the  
28 management and control of the limited partnership. A limited  
29 partner is obligated to exercise rights consistent with good  
30 faith and fair dealing, but has no fiduciary duties solely by  
31 reason of being a limited partner. A limited partner may  
32 access certain information about the partnership without a  
33 showing of good cause, but the partnership agreement may set  
34 reasonable restrictions on access to and use of required  
35 information. For other information, the limited partner must

1 make a reasonable demand for access.

2 The bill also sets forth duties for the general partners,  
3 provides methods for distributions according to contributions  
4 made, and establishes powers and liabilities related to  
5 dissociation of partners. Specific procedures exist for  
6 transferring economic rights, winding up business, dealing  
7 with creditors, and organizational mergers and conversions.

8 The bill establishes a serious misdemeanor penalty in new  
9 Code section 488.208 for persons who sign a record required or  
10 authorized to be filed under Code chapter 488 that the signer  
11 knows to be false. This is the same penalty for signing a  
12 false document under the prior limited partnership Act in Code  
13 chapter 487. A serious misdemeanor is normally punishable by  
14 a fine of at least \$250 but not more than \$1,500 and may also  
15 include confinement for no more than one year; however, the  
16 section limits the penalty in this instance to a fine of no  
17 more than \$1,000.

18 The new Code chapter is effective January 1, 2005, and  
19 applies to limited partnerships formed at or before that time  
20 that elect to be covered by the law. After January 1, 2006,  
21 the law applies to all limited partnerships, with certain  
22 exceptions for limited partnerships formed prior to January 1,  
23 2005.

24 The bill generally takes effect January 1, 2005.

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Miller  
Kreiman  
Redfern

Succeeded By SSB# 3049  
SF/HF 2157

SENATE FILE Judiciary  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY  
CHAIRPERSON REDFERN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the uniform limited partnership Act and  
2 providing a penalty and effective dates.

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

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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

1 of a transferable interest owned by the transferee.

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

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

12 9. "Foreign limited partnership" means a partnership  
13 formed under the laws of a jurisdiction other than Iowa and  
14 required by those laws to have one or more general partners  
15 and one or more limited partners. The term includes a foreign  
16 limited liability limited partnership.

17 10. "General partner" means:

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

20 (1) A person that becomes a general partner under section  
21 488.401.

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

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

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

33 12. "Limited partner" means:

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



1 (1) A person that becomes a limited partner under section  
2 488.301.

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

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

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

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

18 15. "Partnership agreement" means the partners' agreement,  
19 whether oral, implied, in a record, or in any combination,  
20 concerning the limited partnership. The term includes the  
21 agreement as amended.

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

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

30 18. "Principal office" means the office where the  
31 principal executive office of a limited partnership or foreign  
32 limited partnership is located, whether or not the office is  
33 located in this state.

34 19. "Record" means information that is inscribed on a  
35 tangible medium or that is stored in an electronic or other

1 medium and is retrievable in perceivable form.

2 20. "Required information" means the information that a  
3 limited partnership is required to maintain under section  
4 488.111.

5 21. "Sign" means either of the following:

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

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

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

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

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

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

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

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

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

28 a. The person knows of it.

29 b. The person has received a notification of it.

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

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

33 3. A certificate of limited partnership on file in the  
34 office of the secretary of state is notice that the  
35 partnership is a limited partnership and the persons

1 designated in the certificate as general partners are general  
2 partners. Except as otherwise provided in subsection 4, the  
3 certificate is not notice of any other fact.

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

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

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

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

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

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

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

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

28 a. Notification comes to the person's attention.

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

32 7. Except as otherwise provided in subsection 8, a person  
33 other than an individual knows, has notice, or receives a  
34 notification of a fact for purposes of a particular  
35 transaction when the individual conducting the transaction for

1 the person knows, has notice, or receives a notification of  
 2 the fact, or in any event when the fact would have been  
 3 brought to the individual's attention if the person had  
 4 exercised reasonable diligence. A person other than an  
 5 individual exercises reasonable diligence if the person  
 6 maintains reasonable routines for communicating significant  
 7 information to the individual conducting the transaction for  
 8 the person and there is reasonable compliance with the  
 9 routines. Reasonable diligence does not require an individual  
 10 acting for the person to communicate information unless the  
 11 communication is part of the individual's regular duties or  
 12 the individual has reason to know of the transaction and that  
 13 the transaction would be materially affected by the  
 14 information.

15 8. A general partner's knowledge, notice, or receipt of a  
 16 notification of a fact relating to the limited partnership is  
 17 effective immediately as knowledge of, notice to, or receipt  
 18 of a notification by the limited partnership, except in the  
 19 case of a fraud on the limited partnership committed by or  
 20 with the consent of the general partner. A limited partner's  
 21 knowledge, notice, or receipt of a notification of a fact  
 22 relating to the limited partnership is not effective as  
 23 knowledge of, notice to, or receipt of a notification by the  
 24 limited partnership.

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

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

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

33 3. A limited partnership has a perpetual duration.

34 Sec. 5. NEW SECTION. 488.105 POWERS.

35 A limited partnership has the powers to do all things

1 necessary or convenient to carry on its activities, including  
2 the power to sue, be sued, and defend in its own name and to  
3 maintain an action against a partner for harm caused to the  
4 limited partnership by a breach of the partnership agreement  
5 or violation of a duty to the partnership.

6 Sec. 6. NEW SECTION. 488.106 GOVERNING LAW.

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

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

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

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

19 Sec. 8. NEW SECTION. 488.108 NAME.

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

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

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

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

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

1 this state.

2 b. Each name reserved under section 488.109, or under  
3 sections 486A.1001, 490.401, 490.402, 490A.401, 490A.402,  
4 504A.6, 504A.7, and 547.1.

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

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

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

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

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

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

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

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

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

- 1 1. The exclusive right to the use of a name that complies  
2 with section 488.108 may be reserved by any of the following:
- 3 a. A person intending to organize a limited partnership  
4 under this chapter and to adopt the name.
- 5 b. A limited partnership or a foreign limited partnership  
6 authorized to transact business in this state intending to  
7 adopt the name.
- 8 c. A foreign limited partnership intending to obtain a  
9 certificate of authority to transact business in this state  
10 and adopt the name.
- 11 d. A person intending to organize a foreign limited  
12 partnership and intending to have it obtain a certificate of  
13 authority to transact business in this state and adopt the  
14 name.
- 15 e. A foreign limited partnership formed under the name.
- 16 f. A foreign limited partnership formed under a name that  
17 does not comply with section 488.108, subsection 2 or 3, but  
18 the name reserved under this paragraph may differ from the  
19 foreign limited partnership's name only to the extent  
20 necessary to comply with section 488.108, subsections 2 and 3.
- 21 2. A person may apply to reserve a name under subsection 1  
22 by delivering to the secretary of state for filing an  
23 application that states the name to be reserved and the  
24 paragraph of subsection 1 that applies. If the secretary of  
25 state finds that the name is available for use by the  
26 applicant, the secretary of state shall file a statement of  
27 name reservation and reserve the name for the exclusive use of  
28 the applicant for a nonrenewable period of one hundred twenty  
29 days.
- 30 3. A person that has reserved a name under this section  
31 may deliver to the secretary of state for filing a notice of  
32 transfer that states the reserved name, the name and street  
33 and mailing address of some other person to which the  
34 reservation is to be transferred, and the paragraph of  
35 subsection 1 which applies to the other person. Subject to

1 section 488.206, subsection 3, the transfer is effective when  
2 the secretary of state files the notice of transfer.

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

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

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

13 a. Vary a limited partnership's power under section  
14 488.105 to sue, be sued, and defend in its own name.

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

17 c. Vary the requirements of section 488.204.

18 d. Vary the information required under section 488.111 or  
19 unreasonably restrict the right to information under section  
20 488.304 or 488.407, but the partnership agreement may impose  
21 reasonable restrictions on the availability and use of  
22 information obtained under those sections and may define  
23 appropriate remedies, including liquidated damages, for a  
24 breach of any reasonable restriction on use.

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

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

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

34 f. Unreasonably reduce the duty of care under section  
35 488.408, subsection 3.



1 g. Eliminate the obligation of good faith and fair dealing  
2 under section 488.305, subsection 2, and section 488.408,  
3 subsection 4, but the partnership agreement may prescribe the  
4 standards by which the performance of the obligation is to be  
5 measured, if the standards are not manifestly unreasonable.

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

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

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

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

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

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

24 Sec. 11. NEW SECTION. 488.111 REQUIRED INFORMATION.

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

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

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

- 1     3. A copy of any filed articles of conversion or merger.
- 2     4. A copy of the limited partnership's federal, state, and
- 3 local income tax returns and reports, if any, for the three
- 4 most recent years.
- 5     5. A copy of any partnership agreement made in a record
- 6 and any amendment made in a record to any partnership
- 7 agreement.
- 8     6. A copy of any financial statement of the limited
- 9 partnership for the three most recent years.
- 10    7. A copy of the three most recent biennial reports
- 11 delivered by the limited partnership to the secretary of state
- 12 pursuant to section 488.210.
- 13    8. A copy of any record made by the limited partnership
- 14 during the past three years of any consent given by or vote
- 15 taken of any partner pursuant to this chapter or the
- 16 partnership agreement.
- 17    9. Unless contained in a partnership agreement made in a
- 18 record, a record stating all of the following:
- 19     a. The amount of cash, and a description and statement of
- 20 the agreed value of the other benefits, contributed and agreed
- 21 to be contributed by each partner.
- 22     b. The times at which, or events on the happening of
- 23 which, any additional contributions agreed to be made by each
- 24 partner are to be made.
- 25     c. For any person that is both a general partner and a
- 26 limited partner, a specification of what transferable interest
- 27 the person owns in each capacity.
- 28     d. Any events upon the happening of which the limited
- 29 partnership is to be dissolved and its activities wound up.
- 30    Sec. 12. NEW SECTION. 488.112 BUSINESS TRANSACTIONS OF
- 31 PARTNER WITH PARTNERSHIP.
- 32    A partner may lend money to and transact other business
- 33 with the limited partnership and has the same rights and
- 34 obligations with respect to the loan or other transaction as a
- 35 person that is not a partner.

1     Sec. 13. NEW SECTION. 488.113 DUAL CAPACITY.

2     A person may be both a general partner and a limited  
3 partner. A person that is both a general and limited partner  
4 has the rights, powers, duties, and obligations provided by  
5 this chapter and the partnership agreement in each of those  
6 capacities. When the person acts as a general partner, the  
7 person is subject to the obligations, duties, and restrictions  
8 under this chapter and the partnership agreement for general  
9 partners. When the person acts as a limited partner, the  
10 person is subject to the obligations, duties, and restrictions  
11 under this chapter and the partnership agreement for limited  
12 partners.

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

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

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

19     b. An agent for service of process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 2. If a limited partnership or foreign limited partnership

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

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

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

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

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

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

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

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

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

34 Action requiring the consent of partners under this chapter  
35 may be taken without a meeting, and a partner may appoint a

1 proxy to consent or otherwise act for the partner by signing  
2 an appointment record, either personally or by the partner's  
3 attorney in fact.

4 ARTICLE II  
5 FORMATION -- CERTIFICATE OF LIMITED PARTNERSHIP  
6 AND OTHER FILINGS

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

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

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

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

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

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

22 e. Any additional information required by article 11.

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

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

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

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

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

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

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

19 a. The name of the limited partnership.

20 b. The date of filing of its initial certificate.

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

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

26 a. The admission of a new general partner.

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

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

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

35 a. Cause the certificate to be amended.

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

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

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

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

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

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

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

23 Sec. 22. NEW SECTION. 488.204 SIGNING OF RECORDS.

24 1. Each record delivered to the secretary of state for  
25 filing pursuant to this chapter must be signed in the  
26 following manner:

- 27 a. An initial certificate of limited partnership must be  
28 signed by all general partners listed in the certificate.
- 29 b. An amendment adding or deleting a statement that the  
30 limited partnership is a limited liability limited partnership  
31 must be signed by all general partners listed in the  
32 certificate.
- 33 c. An amendment designating as general partner a person  
34 admitted under section 488.801, subsection 3, paragraph "b",  
35 following the dissociation of a limited partnership's last



1 general partner must be signed by the new general partner.

2 d. An amendment required by section 488.803, subsection 3,  
3 following the appointment of a person to wind up the dissolved  
4 limited partnership's activities must be signed by that  
5 person.

6 e. Any other amendment must be signed by all of the  
7 following:

8 (1) At least one general partner listed in the  
9 certificate.

10 (2) Each other person designated in the amendment as a new  
11 general partner.

12 (3) Each person that the amendment indicates has  
13 dissociated as a general partner, unless any of the following  
14 applies:

15 (a) The person is deceased or a guardian or general  
16 conservator has been appointed for the person and the  
17 amendment so states.

18 (b) The person has previously delivered to the secretary  
19 of state for filing a statement of dissociation.

20 f. A restated certificate of limited partnership must be  
21 signed by at least one general partner listed in the  
22 certificate, and, to the extent the restated certificate  
23 effects a change under any other paragraph of this subsection,  
24 the certificate must be signed in a manner that satisfies that  
25 paragraph.

26 g. A statement of termination must be signed by all  
27 general partners listed in the certificate or, if the  
28 certificate of a dissolved limited partnership lists no  
29 general partners, by the person appointed pursuant to section  
30 488.803, subsection 3 or 4, to wind up the dissolved limited  
31 partnership's activities.

32 h. Articles of conversion must be signed by each general  
33 partner listed in the certificate of limited partnership.

34 i. Articles of merger must be signed as provided in  
35 section 488.1108, subsection 1.

1 j. Any other record delivered on behalf of a limited  
2 partnership to the secretary of state for filing must be  
3 signed by at least one general partner listed in the  
4 certificate.

5 k. A statement by a person pursuant to section 488.605,  
6 subsection 1, paragraph "d", stating that the person has  
7 dissociated as a general partner must be signed by that  
8 person.

9 l. A statement of withdrawal by a person pursuant to  
10 section 488.306 must be signed by that person.

11 m. A record delivered on behalf of a foreign limited  
12 partnership to the secretary of state for filing must be  
13 signed by at least one general partner of the foreign limited  
14 partnership.

15 n. Any other record delivered on behalf of any person to  
16 the secretary of state for filing must be signed by that  
17 person.

18 2. Any person may sign by an attorney in fact any record  
19 to be filed pursuant to this chapter.

20 Sec. 23. NEW SECTION. 488.205 SIGNING AND FILING  
21 PURSUANT TO JUDICIAL ORDER.

22 1. If a person required by this chapter to sign a record  
23 or deliver a record to the secretary of state for filing does  
24 not do so, any other person that is aggrieved may petition the  
25 appropriate court to order any of the following:

- 26 a. The person to sign the record.
- 27 b. The person to deliver the record to the secretary of  
28 state for filing.

29 c. The secretary of state to file the record unsigned.

30 2. If the person aggrieved under subsection 1 is not the  
31 limited partnership or foreign limited partnership to which  
32 the record pertains, the aggrieved person shall make the  
33 limited partnership or foreign limited partnership a party to  
34 the action. A person aggrieved under subsection 1 may seek  
35 the remedies provided in subsection 1 in the same action in

1 combination or in the alternative.

2 3. A record filed unsigned pursuant to this section is  
3 effective without being signed.

4 Sec. 24. NEW SECTION. 488.206 DELIVERY TO AND FILING OF  
5 RECORDS BY SECRETARY OF STATE -- EFFECTIVE TIME AND DATE.

6 1. A record authorized or required to be delivered to the  
7 secretary of state for filing under this chapter must be  
8 captioned to describe the record's purpose, contain the  
9 information required by this chapter but may include other  
10 information as well, and be in a medium permitted by the  
11 secretary of state. The document must be typewritten or  
12 printed. If the document is electronically transmitted, it  
13 must be in a format that can be retrieved or reproduced in  
14 typewritten or printed form. The document must be delivered  
15 to the office of the secretary of state for filing. Delivery  
16 may be made by electronic transmission if and to the extent  
17 permitted by the secretary of state. The secretary of state  
18 may adopt rules for the electronic filing of documents and the  
19 certification of electronically filed documents. If it is  
20 filed in typewritten or printed form and not transmitted  
21 electronically, the secretary of state may require an exact or  
22 conformed copy to be delivered with the document. Unless the  
23 secretary of state determines that a record does not comply  
24 with the filing requirements of this chapter, and if all  
25 filing fees have been paid, the secretary of state shall file  
26 the record and perform all of the following:

27 a. For a statement of dissociation, send all of the  
28 following:

29 (1) A copy of the filed statement and a receipt for the  
30 fees to the person which the statement indicates has  
31 dissociated as a general partner.

32 (2) A copy of the filed statement and receipt to the  
33 limited partnership.

34 b. For a statement of withdrawal, send all of the  
35 following:

1 (1) A copy of the filed statement and a receipt for the  
2 fees to the person on whose behalf the record was filed.

3 (2) If the statement refers to an existing limited  
4 partnership, a copy of the filed statement and receipt to the  
5 limited partnership.

6 c. For all other records, send a copy of the filed record  
7 and a receipt for the fees to the person on whose behalf the  
8 record was filed.

9 2. Upon request and payment of a fee, the secretary of  
10 state shall send to the requester a certified copy of the  
11 requested record.

12 3. Except as otherwise provided in sections 488.116 and  
13 488.207, a record delivered to the secretary of state for  
14 filing under this chapter may specify an effective time and a  
15 delayed effective date. Except as otherwise provided in this  
16 chapter, a record filed by the secretary of state is effective  
17 according to the following:

18 a. If the record does not specify an effective time and  
19 does not specify a delayed effective date, on the date and at  
20 the time the record is filed, as evidenced by the secretary of  
21 state's endorsement of the date and time on the record.

22 b. If the record specifies an effective time but not a  
23 delayed effective date, on the date the record is filed at the  
24 time specified in the record.

25 c. If the record specifies a delayed effective date but  
26 not an effective time, at 12:01 a.m. on the earlier of either  
27 of the following:

- 28 (1) The specified date.
- 29 (2) The ninetieth day after the record is filed.

30 d. If the record specifies an effective time and a delayed  
31 effective date, at the specified time on the earlier of either  
32 of the following:

- 33 (1) The specified date.
- 34 (2) The ninetieth day after the record is filed.

35 4. If the secretary of state refuses to file a document,

1 the secretary of state shall return it to the limited  
2 partnership or foreign limited partnership or its  
3 representative, together with a brief, written explanation of  
4 the reason for the refusal.

5 5. The secretary of state's duty to file documents under  
6 this section is ministerial. Filing or refusing to file a  
7 document does not do any of the following:

8 a. Affect the validity or invalidity of the document in  
9 whole or part.

10 b. Relate to the correctness or incorrectness of  
11 information contained in the document.

12 c. Create a presumption that the document is valid or  
13 invalid or that information contained in the document is  
14 correct or incorrect.

15 Sec. 25. NEW SECTION. 488.207 CORRECTING FILED RECORD.

16 1. A limited partnership or foreign limited partnership  
17 may deliver to the secretary of state for filing a statement  
18 of correction to correct a record previously delivered by the  
19 limited partnership or foreign limited partnership to the  
20 secretary of state and filed by the secretary of state, if at  
21 the time of filing the record contained false or erroneous  
22 information or was defectively signed.

23 2. A statement of correction shall not state a delayed  
24 effective date and must do all of the following:

25 a. Describe the record to be corrected, including its  
26 filing date, or attach a copy of the record as filed.

27 b. Specify the incorrect information and the reason it is  
28 incorrect or the manner in which the signing was defective.

29 c. Correct the incorrect information or defective  
30 signature.

31 3. When filed by the secretary of state, a statement of  
32 correction is effective retroactively as of the effective date  
33 of the record the statement corrects, but the statement is  
34 effective when filed for the following:

35 a. For the purposes of section 488.103, subsections 3 and

1 4.

2 b. As to persons relying on the uncorrected record and  
3 adversely affected by the correction.

4 Sec. 26. NEW SECTION. 488.208 LIABILITY FOR FALSE  
5 INFORMATION IN FILED RECORD.

6 1. If a record delivered to the secretary of state for  
7 filing under this chapter and filed by the secretary of state  
8 contains false information, a person that suffers loss by  
9 reliance on the information may recover damages for the loss  
10 from any or all of the following:

11 a. A person that signed the record, or caused another to  
12 sign it on the person's behalf, and knew the information to be  
13 false at the time the record was signed.

14 b. A general partner that has notice that the information  
15 was false when the record was filed or has become false  
16 because of changed circumstances, if the general partner has  
17 notice for a reasonably sufficient time before the information  
18 is relied upon to enable the general partner to effect an  
19 amendment under section 488.202, file a petition pursuant to  
20 section 488.205, or deliver to the secretary of state for  
21 filing a statement of change pursuant to section 488.115 or a  
22 statement of correction pursuant to section 488.207.

23 2. Signing a record authorized or required to be filed  
24 under this chapter that the signer knows to be false in  
25 material respect constitutes a serious misdemeanor punishable  
26 by a fine not to exceed one thousand dollars.

27 Sec. 27. NEW SECTION. 488.209 CERTIFICATE OF EXISTENCE  
28 OR AUTHORIZATION.

29 1. The secretary of state, upon request and payment of the  
30 requisite fee, shall furnish a certificate of existence for a  
31 limited partnership if the records filed in the office of the  
32 secretary of state show that the secretary of state has filed  
33 a certificate of limited partnership and has not filed a  
34 statement of termination. A certificate of existence must  
35 state all of the following:

- 1 a. The limited partnership's name.
- 2 b. That it was duly formed under the laws of this state  
3 and the date of formation.
- 4 c. Whether all fees, taxes, and penalties under this  
5 chapter or other law due to the secretary of state have been  
6 paid.
- 7 d. Whether the limited partnership's most recent biennial  
8 report required by section 488.210 has been filed by the  
9 secretary of state.
- 10 e. Whether the secretary of state has administratively  
11 dissolved the limited partnership.
- 12 f. Whether the limited partnership's certificate of  
13 limited partnership has been amended to state that the limited  
14 partnership is dissolved.
- 15 g. That a statement of termination has not been filed by  
16 the secretary of state.
- 17 h. Other facts of record in the office of the secretary of  
18 state which may be requested by the applicant.
- 19 2. The secretary of state, upon request and payment of the  
20 requisite fee, shall furnish a certificate of authorization  
21 for a foreign limited partnership if the records filed in the  
22 office of the secretary of state show that the secretary of  
23 state has filed a certificate of authority, has not revoked  
24 the certificate of authority, and has not filed a notice of  
25 cancellation. A certificate of authorization must state all  
26 of the following:
  - 27 a. The foreign limited partnership's name and any  
28 alternate name adopted under section 488.905, subsection 1,  
29 for use in this state.
  - 30 b. That it is authorized to transact business in this  
31 state.
  - 32 c. Whether all fees, taxes, and penalties under this  
33 chapter or other law due to the secretary of state have been  
34 paid.
  - 35 d. Whether the foreign limited partnership's most recent

1 biennial report required by section 488.210 has been filed by  
2 the secretary of state.

3 e. That the secretary of state has not revoked its  
4 certificate of authority and has not filed a notice of  
5 cancellation.

6 f. Other facts of record in the office of the secretary of  
7 state which may be requested by the applicant.

8 3. Subject to any qualification stated in the certificate,  
9 a certificate of existence or authorization issued by the  
10 secretary of state may be relied upon as conclusive evidence  
11 that the limited partnership or foreign limited partnership is  
12 in existence or is authorized to transact business in this  
13 state.

14 Sec. 28. NEW SECTION. 488.210 BIENNIAL REPORT FOR  
15 SECRETARY OF STATE.

16 1. A limited partnership or a foreign limited partnership  
17 authorized to transact business in this state shall deliver to  
18 the secretary of state for filing a biennial report that  
19 states all of the following:

20 a. The name of the limited partnership or foreign limited  
21 partnership.

22 b. The street and mailing address of its designated office  
23 and the name and street and mailing address of its agent for  
24 service of process in this state.

25 c. In the case of a limited partnership, the street and  
26 mailing address of its principal office.

27 d. In the case of a foreign limited partnership, the state  
28 or other jurisdiction under whose law the foreign limited  
29 partnership is formed and any alternate name adopted under  
30 section 488.905, subsection 1.

31 2. Information in a biennial report must be current as of  
32 the date the biennial report is delivered to the secretary of  
33 state for filing.

34 3. If a biennial report does not contain the information  
35 required in subsection 1, the secretary of state shall



1 promptly notify the reporting limited partnership or foreign  
2 limited partnership and return the report to it for  
3 correction. If the report is corrected to contain the  
4 information required in subsection 1 and delivered to the  
5 secretary of state within thirty days after the effective date  
6 of the notice, it is timely delivered.

7 4. If a filed biennial report contains an address of a  
8 designated office or the name or address of an agent for  
9 service of process which differs from the information shown in  
10 the records of the secretary of state immediately before the  
11 filing, the differing information in the biennial report is  
12 considered a statement of change under section 488.115.

13 5. The first biennial report shall be delivered to the  
14 secretary of state between January 1 and April 1 of the first  
15 odd-numbered year following the calendar year in which a  
16 limited partnership was formed or a foreign limited  
17 partnership was authorized to transact business. Subsequent  
18 biennial reports must be delivered to the secretary of state  
19 between January 1 and April 1 of the following odd-numbered  
20 calendar years. A filing fee for the biennial report shall be  
21 determined by the secretary of state. For purposes of this  
22 section, each biennial report shall contain information  
23 related to the two-year period immediately preceding the  
24 calendar year in which the report is filed.

25 ARTICLE III

26 LIMITED PARTNERS

27 Sec. 29. NEW SECTION. 488.301 BECOMING LIMITED PARTNER.

28 A person becomes a limited partner according to any of the  
29 following:

- 30 1. As provided in the partnership agreement.
- 31 2. As the result of a conversion or merger under article  
32 11.
- 33 3. With the consent of all the partners.

34 Sec. 30. NEW SECTION. 488.302 NO RIGHT OR POWER AS  
35 LIMITED PARTNER TO BIND LIMITED PARTNERSHIP.

1 A limited partner does not have the right or the power as a  
2 limited partner to act for or bind the limited partnership.

3 Sec. 31. NEW SECTION. 488.303 NO LIABILITY AS LIMITED  
4 PARTNER FOR LIMITED PARTNERSHIP OBLIGATIONS.

5 An obligation of a limited partnership, whether arising in  
6 contract, tort, or otherwise, is not the obligation of a  
7 limited partner. A limited partner is not personally liable,  
8 directly or indirectly, by way of contribution or otherwise,  
9 for an obligation of the limited partnership solely by reason  
10 of being a limited partner, even if the limited partner  
11 participates in the management and control of the limited  
12 partnership.

13 Sec. 32. NEW SECTION. 488.304 RIGHT OF LIMITED PARTNER  
14 AND FORMER LIMITED PARTNER TO INFORMATION.

15 1. On ten days' demand, made in a record received by the  
16 limited partnership, a limited partner may inspect and copy  
17 required information during regular business hours in the  
18 limited partnership's designated office. The limited partner  
19 need not have any particular purpose for seeking the  
20 information.

21 2. During regular business hours and at a reasonable  
22 location specified by the limited partnership, a limited  
23 partner may obtain from the limited partnership and inspect  
24 and copy true and full information regarding the state of the  
25 activities and financial condition of the limited partnership  
26 and other information regarding the activities of the limited  
27 partnership as is just and reasonable if the limited partner  
28 complies with all of the following:

29 a. The limited partner seeks the information for a purpose  
30 reasonably related to the partner's interest as a limited  
31 partner.

32 b. The limited partner makes a demand in a record received  
33 by the limited partnership, describing with reasonable  
34 particularity the information sought and the purpose for  
35 seeking the information.

1 c. The information sought is directly connected to the  
2 limited partner's purpose.

3 3. Within ten days after receiving a demand pursuant to  
4 subsection 2, the limited partnership in a record shall inform  
5 the limited partner that made the demand of all of the  
6 following:

7 a. What information the limited partnership will provide  
8 in response to the demand.

9 b. When and where the limited partnership will provide the  
10 information.

11 c. If the limited partnership declines to provide any  
12 demanded information, the limited partnership's reasons for  
13 declining.

14 4. Subject to subsection 6, a person dissociated as a  
15 limited partner may inspect and copy required information  
16 during regular business hours in the limited partnership's  
17 designated office if the person complies with all of the  
18 following:

19 a. The information pertains to the period during which the  
20 person was a limited partner.

21 b. The person seeks the information in good faith.

22 c. The person meets the requirements of subsection 2.

23 5. The limited partnership shall respond to a demand made  
24 pursuant to subsection 4 in the same manner as provided in  
25 subsection 3.

26 6. If a limited partner dies, section 488.704 applies.

27 7. The limited partnership may impose reasonable  
28 restrictions on the use of information obtained under this  
29 section. In a dispute concerning the reasonableness of a  
30 restriction under this subsection, the limited partnership has  
31 the burden of proving reasonableness.

32 8. A limited partnership may charge a person that makes a  
33 demand under this section reasonable costs of copying, limited  
34 to the costs of labor and material.

35 9. Whenever this chapter or a partnership agreement

1 provides for a limited partner to give or withhold consent to  
2 a matter, before the consent is given or withheld, the limited  
3 partnership shall, without demand, provide the limited partner  
4 with all information material to the limited partner's  
5 decision that the limited partnership knows.

6 10. A limited partner or person dissociated as a limited  
7 partner may exercise the rights under this section through an  
8 attorney or other agent. Any restriction imposed under  
9 subsection 7 or by the partnership agreement applies both to  
10 the attorney or other agent and to the limited partner or  
11 person dissociated as a limited partner.

12 11. The rights stated in this section do not extend to a  
13 person as transferee, but may be exercised by the legal  
14 representative of an individual under legal disability who is  
15 a limited partner or person dissociated as a limited partner.

16 Sec. 33. NEW SECTION. 488.305 LIMITED DUTIES OF LIMITED  
17 PARTNERS.

18 1. A limited partner does not have any fiduciary duty to  
19 the limited partnership or to any other partner solely by  
20 reason of being a limited partner.

21 2. A limited partner shall discharge the duties to the  
22 partnership and the other partners under this chapter or under  
23 the partnership agreement and exercise any rights consistently  
24 with the obligation of good faith and fair dealing.

25 3. A limited partner does not violate a duty or obligation  
26 under this chapter or under the partnership agreement merely  
27 because the limited partner's conduct furthers the limited  
28 partner's own interest.

29 Sec. 34. NEW SECTION. 488.306 PERSON ERRONEOUSLY  
30 BELIEVING SELF TO BE LIMITED PARTNER.

31 1. Except as otherwise provided in subsection 2, a person  
32 that makes an investment in a business enterprise and  
33 erroneously but in good faith believes that the person has  
34 become a limited partner in the enterprise is not liable for  
35 the enterprise's obligations by reason of making the

1 investment, receiving distributions from the enterprise, or  
2 exercising any rights of or appropriate to a limited partner,  
3 if, on ascertaining the mistake, the person does either of the  
4 following:

5 a. Causes an appropriate certificate of limited  
6 partnership, amendment, or statement of correction to be  
7 signed and delivered to the secretary of state for filing.

8 b. Withdraws from future participation as an owner in the  
9 enterprise by signing and delivering to the secretary of state  
10 for filing a statement of withdrawal under this section.

11 2. A person that makes an investment described in  
12 subsection 1 is liable to the same extent as a general partner  
13 to any third party that enters into a transaction with the  
14 enterprise, believing in good faith that the person is a  
15 general partner, before the secretary of state files a  
16 statement of withdrawal, certificate of limited partnership,  
17 amendment, or statement of correction to show that the person  
18 is not a general partner.

19 3. If a person makes a diligent effort in good faith to  
20 comply with subsection 1, paragraph "a", and is unable to  
21 cause the appropriate certificate of limited partnership,  
22 amendment, or statement of correction to be signed and  
23 delivered to the secretary of state for filing, the person has  
24 the right to withdraw from the enterprise pursuant to  
25 subsection 1, paragraph "b", even if the withdrawal would  
26 otherwise breach an agreement with others that are or have  
27 agreed to become co-owners of the enterprise.

28 ARTICLE IV

29 GENERAL PARTNERS

30 Sec. 35. NEW SECTION. 488.401 BECOMING GENERAL PARTNER.

31 A person becomes a general partner according to any of the  
32 following:

33 1. As provided in the partnership agreement.

34 2. Under section 488.801, subsection 3, paragraph "b",  
35 following the dissociation of a limited partnership's last

1 general partner.

2 3. As the result of a conversion or merger under article  
3 11.

4 4. With the consent of all the partners.

5 Sec. 36. NEW SECTION. 488.402 GENERAL PARTNER AGENT OF  
6 LIMITED PARTNERSHIP.

7 1. Each general partner is an agent of the limited  
8 partnership for the purposes of its activities. An act of a  
9 general partner, including the signing of a record in the  
10 partnership's name, for apparently carrying on in the ordinary  
11 course the limited partnership's activities or activities of  
12 the kind carried on by the limited partnership binds the  
13 limited partnership, unless the general partner did not have  
14 authority to act for the limited partnership in the particular  
15 matter and the person with which the general partner was  
16 dealing knew, had received a notification, or had notice under  
17 section 488.103, subsection 4, that the general partner lacked  
18 authority.

19 2. An act of a general partner which is not apparently for  
20 carrying on in the ordinary course the limited partnership's  
21 activities or activities of the kind carried on by the limited  
22 partnership binds the limited partnership only if the act was  
23 authorized in the partnership agreement or by all the other  
24 partners.

25 Sec. 37. NEW SECTION. 488.403 LIMITED PARTNERSHIP LIABLE  
26 FOR GENERAL PARTNER'S ACTIONABLE CONDUCT.

27 1. A limited partnership is liable for loss or injury  
28 caused to a person, or for a penalty incurred, as a result of  
29 a wrongful act or omission, or other actionable conduct, of a  
30 general partner acting in the ordinary course of activities of  
31 the limited partnership or with authority of the limited  
32 partnership.

33 2. If, in the course of the limited partnership's  
34 activities or while acting with authority of the limited  
35 partnership, a general partner receives or causes the limited

1 partnership to receive money or property of a person not a  
2 partner, and the money or property is misapplied by a general  
3 partner, the limited partnership is liable for the loss.

4 Sec. 38. NEW SECTION. 488.404 GENERAL PARTNER'S  
5 LIABILITY.

6 1. Except as otherwise provided in subsections 2 and 3,  
7 all general partners are liable jointly and severally for all  
8 obligations of the limited partnership unless otherwise agreed  
9 by the claimant or provided by law.

10 2. A person that becomes a general partner of an existing  
11 limited partnership is not personally liable for an obligation  
12 of a limited partnership incurred before the person became a  
13 general partner.

14 3. An obligation of a limited partnership incurred while  
15 the limited partnership is a limited liability limited  
16 partnership, whether arising in contract, tort, or otherwise,  
17 is solely the obligation of the limited partnership. A  
18 general partner is not personally liable, directly or  
19 indirectly, by way of contribution or otherwise, for such an  
20 obligation solely by reason of being or acting as a general  
21 partner. This subsection applies despite anything  
22 inconsistent in the partnership agreement that existed  
23 immediately before the consent required to become a limited  
24 liability limited partnership under section 488.406,  
25 subsection 2, paragraph "b".

26 Sec. 39. NEW SECTION. 488.405 ACTIONS BY AND AGAINST  
27 PARTNERSHIP AND PARTNERS.

28 1. To the extent not inconsistent with section 488.404, a  
29 general partner may be joined in an action against the limited  
30 partnership or named in a separate action.

31 2. A judgment against a limited partnership is not by  
32 itself a judgment against a general partner. A judgment  
33 against a limited partnership shall not be satisfied from a  
34 general partner's assets unless there is also a judgment  
35 against the general partner.

1 3. A judgment creditor of a general partner shall not levy  
2 execution against the assets of the general partner to satisfy  
3 a judgment based on a claim against the limited partnership,  
4 unless the partner is personally liable for the claim under  
5 section 488.404 and at least one of the following applies:

6 a. A judgment based on the same claim has been obtained  
7 against the limited partnership and a writ of execution on the  
8 judgment has been returned unsatisfied in whole or in part.

9 b. The limited partnership is a debtor in bankruptcy.

10 c. The general partner has agreed that the creditor need  
11 not exhaust limited partnership assets.

12 d. A court grants permission to the judgment creditor to  
13 levy execution against the assets of a general partner based  
14 on a finding that limited partnership assets subject to  
15 execution are clearly insufficient to satisfy the judgment,  
16 that exhaustion of limited partnership assets is excessively  
17 burdensome, or that the grant of permission is an appropriate  
18 exercise of the court's equitable powers.

19 e. Liability is imposed on the general partner by law or  
20 contract independent of the existence of the limited  
21 partnership.

22 Sec. 40. NEW SECTION. 488.406 MANAGEMENT RIGHTS OF  
23 GENERAL PARTNER.

24 1. Each general partner has equal rights in the management  
25 and conduct of the limited partnership's activities. Except  
26 as expressly provided in this chapter, any matter relating to  
27 the activities of the limited partnership may be exclusively  
28 decided by the general partner or, if there is more than one  
29 general partner, by a majority of the general partners.

30 2. The consent of each partner is necessary to do any or  
31 all of the following:

32 a. Amend the partnership agreement.

33 b. Amend the certificate of limited partnership to add or,  
34 subject to section 488.1110, delete a statement that the  
35 limited partnership is a limited liability limited



1 partnership.

2 c. Sell, lease, exchange, or otherwise dispose of all, or  
3 substantially all, of the limited partnership's property, with  
4 or without the goodwill, other than in the usual and regular  
5 course of the limited partnership's activities.

6 3. A limited partnership shall reimburse a general partner  
7 for payments made and indemnify a general partner for  
8 liabilities incurred by the general partner in the ordinary  
9 course of the activities of the partnership or for the  
10 preservation of its activities or property.

11 4. A limited partnership shall reimburse a general partner  
12 for an advance to the limited partnership beyond the amount of  
13 capital the general partner agreed to contribute.

14 5. A payment or advance made by a general partner which  
15 gives rise to an obligation of the limited partnership under  
16 subsection 3 or 4 constitutes a loan to the limited  
17 partnership which accrues interest from the date of the  
18 payment or advance.

19 6. A general partner is not entitled to remuneration for  
20 services performed for the partnership.

21 Sec. 41. NEW SECTION. 488.407 RIGHT OF GENERAL PARTNER  
22 AND FORMER GENERAL PARTNER TO INFORMATION.

23 1. A general partner, without having any particular  
24 purpose for seeking the information, may inspect and copy  
25 during regular business hours any or all of the following:

26 a. In the limited partnership's designated office,  
27 required information.

28 b. At a reasonable location specified by the limited  
29 partnership, any other records maintained by the limited  
30 partnership regarding the limited partnership's activities and  
31 financial condition.

32 2. Each general partner and the limited partnership shall  
33 furnish to a general partner all of the following:

34 a. Without demand, any information concerning the limited  
35 partnership's activities and financial condition reasonably

1 required for the proper exercise of the general partner's  
2 rights and duties under the partnership agreement or this  
3 chapter.

4 b. On demand, any other information concerning the limited  
5 partnership's activities, except to the extent the demand or  
6 the information demanded is unreasonable or otherwise improper  
7 under the circumstances.

8 3. Subject to subsection 5, on ten days' demand made in a  
9 record received by the limited partnership, a person  
10 dissociated as a general partner may have access to the  
11 information and records described in subsection 1 at the  
12 location specified in subsection 1 if all of the following  
13 apply:

14 a. The information or record pertains to the period during  
15 which the person was a general partner.

16 b. The person seeks the information or record in good  
17 faith.

18 c. The person satisfies the requirements imposed on a  
19 limited partner by section 488.304, subsection 2.

20 4. The limited partnership shall respond to a demand made  
21 pursuant to subsection 3 in the same manner as provided in  
22 section 488.304, subsection 3.

23 5. If a general partner dies, section 488.704 applies.

24 6. The limited partnership may impose reasonable  
25 restrictions on the use of information under this section. In  
26 any dispute concerning the reasonableness of a restriction  
27 under this subsection, the limited partnership has the burden  
28 of proving reasonableness.

29 7. A limited partnership may charge a person dissociated  
30 as a general partner that makes a demand under this section  
31 reasonable costs of copying, limited to the costs of labor and  
32 material.

33 8. A general partner or person dissociated as a general  
34 partner may exercise the rights under this section through an  
35 attorney or other agent. Any restriction imposed under

1 subsection 6 or by the partnership agreement applies both to  
2 the attorney or other agent and to the general partner or  
3 person dissociated as a general partner.

4 9. The rights under this section do not extend to a person  
5 as transferee, but the rights under subsection 3 of a person  
6 dissociated as a general partner may be exercised by the legal  
7 representative of an individual who dissociated as a general  
8 partner under section 488.603, subsection 7, paragraph "b" or  
9 "c".

10 Sec. 42. NEW SECTION. 488.408 GENERAL STANDARDS OF  
11 GENERAL PARTNER'S CONDUCT.

12 1. The only fiduciary duties that a general partner has to  
13 the limited partnership and the other partners are the duties  
14 of loyalty and care under subsections 2 and 3.

15 2. A general partner's duty of loyalty to the limited  
16 partnership and the other partners is limited to all of the  
17 following:

18 a. To account to the limited partnership and hold as  
19 trustee for it any property, profit, or benefit derived by the  
20 general partner in the conduct and winding up of the limited  
21 partnership's activities or derived from a use by the general  
22 partner of limited partnership property, including the  
23 appropriation of a limited partnership opportunity.

24 b. To refrain from dealing with the limited partnership in  
25 the conduct or winding up of the limited partnership's  
26 activities as or on behalf of a party having an interest  
27 adverse to the limited partnership.

28 c. To refrain from competing with the limited partnership  
29 in the conduct or winding up of the limited partnership's  
30 activities.

31 3. A general partner's duty of care to the limited  
32 partnership and the other partners in the conduct and winding  
33 up of the limited partnership's activities is limited to  
34 refraining from engaging in grossly negligent or reckless  
35 conduct, intentional misconduct, or a knowing violation of

1 law.

2 4. A general partner shall discharge the duties to the  
3 partnership and the other partners under this chapter or under  
4 the partnership agreement and exercise any rights consistently  
5 with the obligation of good faith and fair dealing.

6 5. A general partner does not violate a duty or obligation  
7 under this chapter or under the partnership agreement merely  
8 because the general partner's conduct furthers the general  
9 partner's own interest.

10 ARTICLE V

11 CONTRIBUTIONS AND DISTRIBUTIONS

12 Sec. 43. NEW SECTION. 488.501 FORM OF CONTRIBUTION.

13 A contribution of a partner may consist of tangible or  
14 intangible property or other benefit to the limited  
15 partnership, including money, services performed, promissory  
16 notes, other agreements to contribute cash or property, and  
17 contracts for services to be performed.

18 Sec. 44. NEW SECTION. 488.502 LIABILITY FOR  
19 CONTRIBUTION.

20 1. A partner's obligation to contribute money or other  
21 property or other benefit to, or to perform services for, a  
22 limited partnership is not excused by the partner's death,  
23 disability, or other inability to perform personally.

24 2. If a partner does not make a promised nonmonetary  
25 contribution, the partner is obligated at the option of the  
26 limited partnership to contribute money equal to that portion  
27 of the value, as stated in the required information, of the  
28 stated contribution which has not been made.

29 3. The obligation of a partner to make a contribution or  
30 return money or other property paid or distributed in  
31 violation of this chapter may be compromised only by consent  
32 of all partners. A creditor of a limited partnership which  
33 extends credit or otherwise acts in reliance on an obligation  
34 described in subsection 1, without notice of any compromise  
35 under this subsection, may enforce the original obligation.

1     Sec. 45. NEW SECTION. 488.503 SHARING OF DISTRIBUTIONS.

2     A distribution by a limited partnership must be shared  
3 among the partners on the basis of the value, as stated in the  
4 required information, when the limited partnership decides to  
5 make the distribution, of the contributions the limited  
6 partnership has received from each partner.

7     Sec. 46. NEW SECTION. 488.504 INTERIM DISTRIBUTIONS.

8     A partner does not have a right to any distribution before  
9 the dissolution and winding up of the limited partnership  
10 unless the limited partnership decides to make an interim  
11 distribution.

12    Sec. 47. NEW SECTION. 488.505 NO DISTRIBUTION ON ACCOUNT  
13 OF DISSOCIATION.

14    A person does not have a right to receive a distribution on  
15 account of dissociation.

16    Sec. 48. NEW SECTION. 488.506 DISTRIBUTION IN KIND.

17    A partner does not have a right to demand or receive any  
18 distribution from a limited partnership in any form other than  
19 cash. Subject to section 488.812, subsection 2, a limited  
20 partnership may distribute an asset in kind to the extent each  
21 partner receives a percentage of the asset equal to the  
22 partner's share of distributions.

23    Sec. 49. NEW SECTION. 488.507 RIGHT TO DISTRIBUTION.

24    When a partner or transferee becomes entitled to receive a  
25 distribution, the partner or transferee has the status of, and  
26 is entitled to all remedies available to, a creditor of the  
27 limited partnership with respect to the distribution.

28 However, the limited partnership's obligation to make a  
29 distribution is subject to offset for any amount owed to the  
30 limited partnership by the partner or dissociated partner on  
31 whose account the distribution is made.

32    Sec. 50. NEW SECTION. 488.508 LIMITATIONS ON  
33 DISTRIBUTION.

34    1. A limited partnership shall not make a distribution in  
35 violation of the partnership agreement.

1 2. A limited partnership shall not make a distribution if  
2 after the distribution any of the following would result:

3 a. The limited partnership would not be able to pay its  
4 debts as they become due in the ordinary course of the limited  
5 partnership's activities.

6 b. The limited partnership's total assets would be less  
7 than the sum of its total liabilities plus the amount that  
8 would be needed, if the limited partnership were to be  
9 dissolved, wound up, and terminated at the time of the  
10 distribution, to satisfy the preferential rights upon  
11 dissolution, winding up, and termination of partners whose  
12 preferential rights are superior to those of persons receiving  
13 the distribution.

14 3. A limited partnership may base a determination that a  
15 distribution is not prohibited under subsection 2 on financial  
16 statements prepared on the basis of accounting practices and  
17 principles that are reasonable in the circumstances or on a  
18 fair valuation or other method that is reasonable in the  
19 circumstances.

20 4. Except as otherwise provided in subsection 7, the  
21 effect of a distribution under subsection 2 is measured  
22 according to either of the following:

23 a. In the case of distribution by purchase, redemption, or  
24 other acquisition of a transferable interest in the limited  
25 partnership, as of the date money or other property is  
26 transferred or debt incurred by the limited partnership.

27 b. In all other cases, as of the date of either of the  
28 following:

29 (1) The date the distribution is authorized, if the  
30 payment occurs within one hundred twenty days after that date.

31 (2) The date the payment is made, if payment occurs more  
32 than one hundred twenty days after the distribution is  
33 authorized.

34 5. A limited partnership's indebtedness to a partner  
35 incurred by reason of a distribution made in accordance with

1 this section is at parity with the limited partnership's  
2 indebtedness to its general, unsecured creditors.

3 6. A limited partnership's indebtedness, including  
4 indebtedness issued in connection with or as part of a  
5 distribution, is not considered a liability for purposes of  
6 subsection 2 if the terms of the indebtedness provide that  
7 payment of principal and interest are made only to the extent  
8 that a distribution could then be made to partners under this  
9 section.

10 7. If indebtedness is issued as a distribution, each  
11 payment of principal or interest on the indebtedness is  
12 treated as a distribution, the effect of which is measured on  
13 the date the payment is made.

14 Sec. 51. NEW SECTION. 488.509 LIABILITY FOR IMPROPER  
15 DISTRIBUTIONS.

16 1. A general partner that consents to a distribution made  
17 in violation of section 488.508 is personally liable to the  
18 limited partnership for the amount of the distribution which  
19 exceeds the amount that could have been distributed without  
20 the violation if it is established that in consenting to the  
21 distribution the general partner failed to comply with section  
22 488.408.

23 2. A partner or transferee that received a distribution  
24 knowing that the distribution to that partner or transferee  
25 was made in violation of section 488.508 is personally liable  
26 to the limited partnership but only to the extent that the  
27 distribution received by the partner or transferee exceeded  
28 the amount that could have been properly paid under section  
29 488.508.

30 3. A general partner against which an action is commenced  
31 under subsection 1 may do any or all of the following:

32 a. Implead in the action any other person that is liable  
33 under subsection 1 and compel contribution from the person.

34 b. Implead in the action any person that received a  
35 distribution in violation of subsection 2 and compel

1 contribution from the person in the amount the person received  
2 in violation of subsection 2.

3 4. An action under this section is barred if it is not  
4 commenced within two years after the distribution.

5 ARTICLE VI  
6 DISSOCIATION

7 Sec. 52. NEW SECTION. 488.601 DISSOCIATION AS LIMITED  
8 PARTNER.

9 1. A person does not have a right to dissociate as a  
10 limited partner before the termination of the limited  
11 partnership.

12 2. A person is dissociated from a limited partnership as a  
13 limited partner upon the occurrence of any of the following  
14 events:

15 a. The limited partnership's having notice of the person's  
16 express will to withdraw as a limited partner or on a later  
17 date specified by the person.

18 b. An event agreed to in the partnership agreement as  
19 causing the person's dissociation as a limited partner.

20 c. The person's expulsion as a limited partner pursuant to  
21 the partnership agreement.

22 d. The person's expulsion as a limited partner by the  
23 unanimous consent of the other partners if any of the  
24 following apply:

25 (1) It is unlawful to carry on the limited partnership's  
26 activities with the person as a limited partner.

27 (2) There has been a transfer of all of the person's  
28 transferable interest in the limited partnership, other than a  
29 transfer for security purposes, or a court order charging the  
30 person's interest, which has not been foreclosed.

31 (3) The person is a corporation and, within ninety days  
32 after the limited partnership notifies the person that it will  
33 be expelled as a limited partner because it has filed a  
34 certificate of dissolution or the equivalent, its charter has  
35 been revoked, or its right to conduct business has been



1 suspended by the jurisdiction of its incorporation, there is  
2 no revocation of the certificate of dissolution or no  
3 reinstatement of its charter or its right to conduct business.

4 (4) The person is a limited liability company or  
5 partnership that has been dissolved and whose business is  
6 being wound up.

7 e. On application by the limited partnership, the person's  
8 expulsion as a limited partner by judicial order because of  
9 any of the following:

10 (1) The person engaged in wrongful conduct that adversely  
11 and materially affected the limited partnership's activities.

12 (2) The person willfully or persistently committed a  
13 material breach of the partnership agreement or of the  
14 obligation of good faith and fair dealing under section  
15 488.305, subsection 2.

16 (3) The person engaged in conduct relating to the limited  
17 partnership's activities which makes it not reasonably  
18 practicable to carry on the activities with the person as  
19 limited partner.

20 f. In the case of a person who is an individual, the  
21 person's death.

22 g. In the case of a person that is a trust or is acting as  
23 a limited partner by virtue of being a trustee of a trust,  
24 distribution of the trust's entire transferable interest in  
25 the limited partnership, but not merely by reason of the  
26 substitution of a successor trustee.

27 h. In the case of a person that is an estate or is acting  
28 as a limited partner by virtue of being a personal  
29 representative of an estate, distribution of the estate's  
30 entire transferable interest in the limited partnership, but  
31 not merely by reason of the substitution of a successor  
32 personal representative.

33 i. Termination of a limited partner that is not an  
34 individual, partnership, limited liability company,  
35 corporation, trust, or estate.

1 j. The limited partnership's participation in a conversion  
2 or merger under article 11, if either of the following  
3 applies:

4 (1) The limited partnership is not the converted or  
5 surviving entity.

6 (2) The limited partnership is the converted or surviving  
7 entity but, as a result of the conversion or merger, the  
8 person ceases to be a limited partner.

9 Sec. 53. NEW SECTION. 488.602 EFFECT OF DISSOCIATION AS  
10 LIMITED PARTNER.

11 1. Upon a person's dissociation as a limited partner, all  
12 of the following apply:

13 a. Subject to section 488.704, the person does not have  
14 further rights as a limited partner.

15 b. The person's obligation of good faith and fair dealing  
16 as a limited partner under section 488.305, subsection 2,  
17 continues only as to matters arising and events occurring  
18 before the dissociation.

19 c. Subject to section 488.704 and article 11, any  
20 transferable interest owned by the person in the person's  
21 capacity as a limited partner immediately before dissociation  
22 is owned by the person as a mere transferee.

23 2. A person's dissociation as a limited partner does not  
24 of itself discharge the person from any obligation to the  
25 limited partnership or the other partners which the person  
26 incurred while a limited partner.

27 Sec. 54. NEW SECTION. 488.603 DISSOCIATION AS GENERAL  
28 PARTNER.

29 A person is dissociated from a limited partnership as a  
30 general partner upon the occurrence of any of the following  
31 events:

32 1. The limited partnership's having notice of the person's  
33 express will to withdraw as a general partner or on a later  
34 date specified by the person.

35 2. An event agreed to in the partnership agreement as

1 causing the person's dissociation as a general partner.

2 3. The person's expulsion as a general partner pursuant to  
3 the partnership agreement.

4 4. The person's expulsion as a general partner by the  
5 unanimous consent of the other partners if any of the  
6 following apply:

7 a. It is unlawful to carry on the limited partnership's  
8 activities with the person as a general partner.

9 b. There has been a transfer of all or substantially all  
10 of the person's transferable interest in the limited  
11 partnership, other than a transfer for security purposes, or a  
12 court order charging the person's interest, which has not been  
13 foreclosed.

14 c. The person is an entity which participates in a merger  
15 and is not the surviving entity.

16 5. On application by the limited partnership, the person's  
17 expulsion as a general partner by judicial determination  
18 because of any of the following:

19 a. The person engaged in wrongful conduct that adversely  
20 and materially affected the limited partnership activities.

21 b. The person willfully or persistently committed a  
22 material breach of the partnership agreement or of a duty owed  
23 to the partnership or the other partners under section  
24 488.408.

25 c. The person engaged in conduct relating to the limited  
26 partnership's activities which makes it not reasonably  
27 practicable to carry on the activities of the limited  
28 partnership with the person as a general partner.

29 6. The person does or is one of the following:

30 a. Becomes a debtor in bankruptcy.

31 b. Executes an assignment for the benefit of creditors.

32 c. Seeks, consents to, or acquiesces in the appointment of  
33 a trustee, receiver, or liquidator of the person or of all or  
34 substantially all of the person's property.

35 d. Fails, within ninety days after the appointment, to

1 have vacated or stayed the appointment of a trustee, receiver,  
2 or liquidator of the general partner or of all or  
3 substantially all of the person's property obtained without  
4 the person's consent or acquiescence, or failing within ninety  
5 days after the expiration of a stay to have the appointment  
6 vacated.

7 e. Is a corporation that has filed articles of dissolution  
8 or the equivalent, has had its charter revoked, or has had its  
9 right to conduct business suspended by the jurisdiction of its  
10 incorporation, and all of the following apply:

11 (1) There is no revocation of the articles of dissolution  
12 or no reinstatement of its charter of its right to conduct  
13 business within ninety days after such filing, revocation, or  
14 suspension.

15 (2) The limited partnership, or any partner, notifies the  
16 partners that such filing, revocation, or suspension has  
17 occurred, and no vote to retain the general partner occurs  
18 within ninety days of such notification.

19 f. Is a limited liability company or partnership that has  
20 been dissolved and whose business is being wound up, and the  
21 limited partnership, or any partner, notifies the partners  
22 that such dissolution has occurred and no vote to retain the  
23 general partner occurs with ninety days of such notification.

24 7. In the case of a person who is an individual, any of  
25 the following:

26 a. The person's death.

27 b. The appointment of a guardian or general conservator  
28 for the person.

29 c. A judicial determination that the person has otherwise  
30 become incapable of performing the person's duties as a  
31 general partner under the partnership agreement.

32 8. In the case of a person that is a trust or is acting as  
33 a general partner by virtue of being a trustee of a trust,  
34 distribution of the trust's entire transferable interest in  
35 the limited partnership, but not merely by reason of the

1 substitution of a successor trustee.

2 9. In the case of a person that is an estate or is acting  
3 as a general partner by virtue of being a personal  
4 representative of an estate, distribution of the estate's  
5 entire transferable interest in the limited partnership, but  
6 not merely by reason of the substitution of a successor  
7 personal representative.

8 10. Termination of a general partner that is not an  
9 individual, partnership, limited liability company,  
10 corporation, trust, or estate.

11 11. The limited partnership's participation in a  
12 conversion or merger under article 11, if either of the  
13 following applies:

14 a. The limited partnership is not the converted or  
15 surviving entity.

16 b. The limited partnership is the converted or surviving  
17 entity but, as a result of the conversion or merger, the  
18 person ceases to be a general partner.

19 Sec. 55. NEW SECTION. 488.604 PERSON'S POWER TO  
20 DISSOCIATE AS GENERAL PARTNER -- WRONGFUL DISSOCIATION.

21 1. A person has the power to dissociate as a general  
22 partner at any time, rightfully or wrongfully, by express will  
23 pursuant to section 488.603, subsection 1.

24 2. A person's dissociation as a general partner is  
25 wrongful only if either of the following applies:

26 a. The dissociation is in breach of an express provision  
27 of the partnership agreement.

28 b. The dissociation occurs before the termination of the  
29 limited partnership, and at least one of the following also  
30 applies:

31 (1) The person withdraws as a general partner by express  
32 will.

33 (2) The person is expelled as a general partner by  
34 judicial determination under section 488.603, subsection 5.

35 (3) The person is dissociated as a general partner by

1 becoming a debtor in bankruptcy.

2 (4) In the case of a person that is not an individual,  
3 trust other than a business trust, or estate, the person is  
4 expelled or otherwise dissociated as a general partner because  
5 it willfully dissolved or terminated.

6 3. A person that wrongfully dissociates as a general  
7 partner is liable to the limited partnership and, subject to  
8 section 488.1001, to the other partners for damages caused by  
9 the dissociation. The liability is in addition to any other  
10 obligation of the general partner to the limited partnership  
11 or to the other partners.

12 Sec. 56. NEW SECTION. 488.605 EFFECT OF DISSOCIATION AS  
13 GENERAL PARTNER.

14 1. Upon a person's dissociation as a general partner, all  
15 of the following apply:

16 a. The person's right to participate as a general partner  
17 in the management and conduct of the partnership's activities  
18 terminates.

19 b. The person's duty of loyalty as a general partner under  
20 section 488.408, subsection 2, paragraph "c", terminates.

21 c. The person's duty of loyalty as a general partner under  
22 section 488.408, subsection 2, paragraphs "a" and "b", and  
23 duty of care under section 488.408, subsection 3, continue  
24 only with regard to matters arising and events occurring  
25 before the person's dissociation as a general partner.

26 d. The person may sign and deliver to the secretary of  
27 state for filing a statement of dissociation pertaining to the  
28 person and, at the request of the limited partnership, shall  
29 sign an amendment to the certificate of limited partnership  
30 which states that the person has dissociated.

31 e. Subject to section 488.704 and article 11, any  
32 transferable interest owned by the person immediately before  
33 dissociation in the person's capacity as a general partner is  
34 owned by the person as a mere transferee.

35 2. A person's dissociation as a general partner does not

1 of itself discharge the person from any obligation to the  
2 limited partnership or the other partners which the person  
3 incurred while a general partner.

4 Sec. 57. NEW SECTION. 488.606 POWER TO BIND -- LIABILITY  
5 TO LIMITED PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF  
6 PERSON DISSOCIATED AS GENERAL PARTNER.

7 1. After a person is dissociated as a general partner and  
8 before the limited partnership is dissolved, converted under  
9 article 11, or merged out of existence under article 11, the  
10 limited partnership is bound by an act of the person only if  
11 all of the following apply:

12 a. The act would have bound the limited partnership under  
13 section 488.402 before the dissociation.

14 b. At the time the other party enters into the  
15 transaction, all of the following apply:

16 (1) Less than two years have passed since the  
17 dissociation.

18 (2) The other party does not have notice of the  
19 dissociation and reasonably believes that the person is a  
20 general partner.

21 2. If a limited partnership is bound under subsection 1,  
22 the person dissociated as a general partner which caused the  
23 limited partnership to be bound is liable to the following:

24 a. To the limited partnership for any damage caused to the  
25 limited partnership arising from the obligation incurred under  
26 subsection 1.

27 b. If a general partner or another person dissociated as a  
28 general partner is liable for the obligation, to the general  
29 partner or other person for any damage caused to the general  
30 partner or other person arising from the liability.

31 Sec. 58. NEW SECTION. 488.607 LIABILITY TO OTHER PERSONS  
32 OF PERSON DISSOCIATED AS GENERAL PARTNER.

33 1. A person's dissociation as a general partner does not  
34 of itself discharge the person's liability as a general  
35 partner for an obligation of the limited partnership incurred

1 before dissociation. Except as otherwise provided in  
2 subsections 2 and 3, the person is not liable for a limited  
3 partnership's obligation incurred after dissociation.

4 2. A person whose dissociation as a general partner  
5 resulted in a dissolution and winding up of the limited  
6 partnership's activities is liable to the same extent as a  
7 general partner under section 488.404 on an obligation  
8 incurred by the limited partnership under section 488.804.

9 3. A person that has dissociated as a general partner but  
10 whose dissociation did not result in a dissolution and winding  
11 up of the limited partnership's activities is liable on a  
12 transaction entered into by the limited partnership after the  
13 dissociation only if all of the following apply:

14 a. A general partner would be liable on the transaction.

15 b. At the time the other party enters into the  
16 transaction, all of the following apply:

17 (1) Less than two years have passed since the  
18 dissociation.

19 (2) The other party does not have notice of the  
20 dissociation and reasonably believes that the person is a  
21 general partner.

22 4. By agreement with a creditor of a limited partnership  
23 and the limited partnership, a person dissociated as a general  
24 partner may be released from liability for an obligation of  
25 the limited partnership.

26 5. A person dissociated as a general partner is released  
27 from liability for an obligation of the limited partnership if  
28 the limited partnership's creditor, with notice of the  
29 person's dissociation as a general partner but without the  
30 person's consent, agrees to a material alteration in the  
31 nature or time of payment of the obligation.

32 ARTICLE VII

33 TRANSFERABLE INTERESTS AND RIGHTS

34 Sec. 59. NEW SECTION. 488.701 PARTNER'S TRANSFERABLE  
35 INTEREST.



1 The only interest of a partner which is transferable is the  
2 partner's transferable interest. A transferable interest is  
3 personal property.

4 Sec. 60. NEW SECTION. 488.702 TRANSFER OF PARTNER'S  
5 TRANSFERABLE INTEREST.

6 1. All of the following apply to a transfer, in whole or  
7 in part, of a partner's transferable interest:

8 a. It is permissible.

9 b. It does not by itself cause the partner's dissociation  
10 or a dissolution and winding up of the limited partnership's  
11 activities.

12 c. It does not, as against the other partners or the  
13 limited partnership, entitle the transferee to participate in  
14 the management or conduct of the limited partnership's  
15 activities, to require access to information concerning the  
16 limited partnership's transactions except as otherwise  
17 provided in subsection 3, or to inspect or copy the required  
18 information or the limited partnership's other records.

19 2. A transferee has a right to receive, in accordance with  
20 the transfer, all of the following:

21 a. Distributions to which the transferor would otherwise  
22 be entitled.

23 b. Upon the dissolution and winding up of the limited  
24 partnership's activities, the net amount otherwise  
25 distributable to the transferor.

26 3. In a dissolution and winding up, a transferee is  
27 entitled to an account of the limited partnership's  
28 transactions only from the date of dissolution.

29 4. Upon transfer, the transferor retains the rights of a  
30 partner other than the interest in distributions transferred  
31 and retains all duties and obligations of a partner.

32 5. A limited partnership need not give effect to a  
33 transferee's rights under this section until the limited  
34 partnership has notice of the transfer.

35 6. A transfer of a partner's transferable interest in the

1 limited partnership in violation of a restriction on transfer  
2 contained in the partnership agreement is ineffective as to a  
3 person having notice of the restriction at the time of  
4 transfer.

5 7. A transferee that becomes a partner with respect to a  
6 transferable interest is liable for the transferor's  
7 obligations under sections 488.502 and 488.509. However, the  
8 transferee is not obligated for liabilities unknown to the  
9 transferee at the time the transferee became a partner.

10 Sec. 61. NEW SECTION. 488.703 RIGHTS OF CREDITOR OF  
11 PARTNER OR TRANSFEREE.

12 1. On application to a court of competent jurisdiction by  
13 any judgment creditor of a partner or transferee, the court  
14 may charge the transferable interest of the judgment debtor  
15 with payment of the unsatisfied amount of the judgment with  
16 interest. To the extent so charged, the judgment creditor has  
17 only the rights of a transferee. The court may appoint a  
18 receiver of the share of the distributions due or to become  
19 due to the judgment debtor in respect of the partnership and  
20 make all other orders, directions, accounts, and inquiries the  
21 judgment debtor might have made or which the circumstances of  
22 the case may require to give effect to the charging order.

23 2. A charging order constitutes a lien on the judgment  
24 debtor's transferable interest. The court may order a  
25 foreclosure upon the interest subject to the charging order at  
26 any time. The purchaser at the foreclosure sale has the  
27 rights of a transferee.

28 3. At any time before foreclosure, an interest charged may  
29 be redeemed by any of the following:

- 30 a. By the judgment debtor.
- 31 b. With property other than limited partnership property,  
32 by one or more of the other partners.
- 33 c. With limited partnership property, by the limited  
34 partnership with the consent of all partners whose interests  
35 are not so charged.

1 4. This chapter does not deprive any partner or transferee  
2 of the benefit of any exemption laws applicable to the  
3 partner's or transferee's transferable interest.

4 5. This section provides the exclusive remedy by which a  
5 judgment creditor of a partner or transferee may satisfy a  
6 judgment out of the judgment debtor's transferable interest.

7 Sec. 62. NEW SECTION. 488.704 POWER OF ESTATE OF  
8 DECEASED PARTNER.

9 If a partner dies, the deceased partner's personal  
10 representative or other legal representative may exercise the  
11 rights of a transferee as provided in section 488.702 and, for  
12 the purposes of settling the estate, may exercise the rights  
13 of a current limited partner under section 488.304.

14 ARTICLE VIII

15 DISSOLUTION

16 Sec. 63. NEW SECTION. 488.801 NONJUDICIAL DISSOLUTION.

17 Except as otherwise provided in section 488.802, a limited  
18 partnership is dissolved, and its activities must be wound up,  
19 only upon the occurrence of any of the following:

20 1. The happening of an event specified in the partnership  
21 agreement.

22 2. The consent of all general partners and of limited  
23 partners owning a majority of the rights to receive  
24 distributions as limited partners at the time the consent is  
25 to be effective.

26 3. After the dissociation of a person as a general  
27 partner, upon occurrence of either of the following:

28 a. If the limited partnership has at least one remaining  
29 general partner, the consent to dissolve the limited  
30 partnership given within ninety days after the dissociation by  
31 partners owning a majority of the rights to receive  
32 distributions as partners at the time the consent is to be  
33 effective.

34 b. If the limited partnership does not have a remaining  
35 general partner, the passage of ninety days after the

1 dissociation, unless before the end of the period, all of the  
2 following occur:

3 (1) Consent to continue the activities of the limited  
4 partnership and admit at least one general partner is given by  
5 limited partners owning a majority of the rights to receive  
6 distributions as limited partners at the time the consent is  
7 to be effective.

8 (2) At least one person is admitted as a general partner  
9 in accordance with the consent.

10 4. The passage of ninety days after the dissociation of  
11 the limited partnership's last limited partner, unless before  
12 the end of the period the limited partnership admits at least  
13 one limited partner.

14 5. The signing and filing of a declaration of dissolution  
15 by the secretary of state under section 488.809, subsection 3.

16 Sec. 64. NEW SECTION. 488.802 JUDICIAL DISSOLUTION.

17 On application by or for a partner, the district court for  
18 the county in which the office described in section 488.114,  
19 subsection 1, paragraph "a", is located may order dissolution  
20 of a limited partnership if it is not reasonably practicable  
21 to carry on the activities of the limited partnership in  
22 conformity with the partnership agreement.

23 Sec. 65. NEW SECTION. 488.803 WINDING UP.

24 1. A limited partnership continues after dissolution only  
25 for the purpose of winding up its activities.

26 2. In winding up its activities, the limited partnership:

27 a. May amend its certificate of limited partnership to  
28 state that the limited partnership is dissolved, preserve the  
29 limited partnership business or property as a going concern  
30 for a reasonable time, prosecute and defend actions and  
31 proceedings, whether civil, criminal, or administrative,  
32 transfer the limited partnership's property, settle disputes  
33 by mediation or arbitration, file a statement of termination  
34 as provided in section 488.203, and perform other necessary  
35 acts.

1 b. Shall discharge the limited partnership's liabilities,  
2 settle and close the limited partnership's activities, and  
3 marshal and distribute the assets of the partnership.

4 3. If a dissolved limited partnership does not have a  
5 general partner, a person to wind up the dissolved limited  
6 partnership's activities may be appointed by the consent of  
7 limited partners owning a majority of the rights to receive  
8 distributions as limited partners at the time the consent is  
9 to be effective. A person appointed under this subsection:

10 a. Has the powers of a general partner under section  
11 488.804.

12 b. Shall promptly amend the certificate of limited  
13 partnership to state all of the following:

14 (1) That the limited partnership does not have a general  
15 partner.

16 (2) The name of the person that has been appointed to wind  
17 up the limited partnership.

18 (3) The street and mailing address of the person.

19 4. On the application of any partner, the district court  
20 in the county in which the office described in section  
21 488.144, subsection 1, paragraph "a", is located may order  
22 judicial supervision of the winding up, including the  
23 appointment of a person to wind up the dissolved limited  
24 partnership's activities, if any of the following applies:

25 a. A limited partnership does not have a general partner  
26 and within a reasonable time following the dissolution no  
27 person has been appointed pursuant to subsection 3.

28 b. The applicant establishes other good cause.

29 Sec. 66. NEW SECTION. 488.804 POWER OF GENERAL PARTNER  
30 AND PERSON DISSOCIATED AS GENERAL PARTNER TO BIND PARTNERSHIP  
31 AFTER DISSOLUTION.

32 1. A limited partnership is bound by a general partner's  
33 act after dissolution in which any of the following applies:

34 a. The act is appropriate for winding up the limited  
35 partnership's activities.

1 b. The act would have bound the limited partnership under  
2 section 488.402 before dissolution, if, at the time the other  
3 party enters into the transaction, the other party does not  
4 have notice of the dissolution.

5 2. A person dissociated as a general partner binds a  
6 limited partnership through an act occurring after dissolution  
7 if both of the following apply:

8 a. At the time the other party enters into the  
9 transaction, all of the following apply:

10 (1) Less than two years have passed since the  
11 dissociation.

12 (2) The other party does not have notice of the  
13 dissociation and reasonably believes that the person is a  
14 general partner.

15 b. At least one of the following applies:

16 (1) The act is appropriate for winding up the limited  
17 partnership's activities.

18 (2) The act would have bound the limited partnership under  
19 section 488.402 before dissolution and at the time the other  
20 party enters into the transaction the other party does not  
21 have notice of the dissolution.

22 Sec. 67. NEW SECTION. 488.805 LIABILITY AFTER  
23 DISSOLUTION OF GENERAL PARTNER AND PERSON DISSOCIATED AS  
24 GENERAL PARTNER TO LIMITED PARTNERSHIP, OTHER GENERAL  
25 PARTNERS, AND PERSONS DISSOCIATED AS GENERAL PARTNER.

26 1. If a general partner having knowledge of the  
27 dissolution causes a limited partnership to incur an  
28 obligation under section 488.804, subsection 1, by an act that  
29 is not appropriate for winding up the partnership's  
30 activities, the general partner is liable for all of the  
31 following:

32 a. To the limited partnership for any damage caused to the  
33 limited partnership arising from the obligation.

34 b. If another general partner or a person dissociated as a  
35 general partner is liable for the obligation, to that other

1 general partner or person for any damage caused to that other  
2 general partner or person arising from the liability.

3 2. If a person dissociated as a general partner causes a  
4 limited partnership to incur an obligation under section  
5 488.804, subsection 2, the person is liable for all of the  
6 following:

7 a. To the limited partnership for any damage caused to the  
8 limited partnership arising from the obligation.

9 b. If a general partner or another person dissociated as a  
10 general partner is liable for the obligation, to the general  
11 partner or other person for any damage caused to the general  
12 partner or other person arising from the liability.

13 Sec. 68. NEW SECTION. 488.806 KNOWN CLAIMS AGAINST  
14 DISSOLVED LIMITED PARTNERSHIP.

15 1. A dissolved limited partnership may dispose of the  
16 known claims against it by following the procedure described  
17 in subsection 2.

18 2. A dissolved limited partnership may notify its known  
19 claimants of the dissolution in a record. The notice must do  
20 all of the following:

21 a. Specify the information required to be included in a  
22 claim.

23 b. Provide a mailing address to which the claim is to be  
24 sent.

25 c. State the deadline for receipt of the claim, which may  
26 not be less than one hundred twenty days after the date the  
27 notice is received by the claimant.

28 d. State that the claim will be barred if not received by  
29 the deadline.

30 e. Unless the limited partnership has been throughout its  
31 existence a limited liability limited partnership or elected  
32 under prior law to become a limited liability limited  
33 partnership, state that the barring of a claim against the  
34 limited partnership will also bar any corresponding claim  
35 against any general partner or person dissociated as a general

1 partner which is based on section 488.404.

2 3. A claim against a dissolved limited partnership is  
3 barred if the requirements of subsection 2 are met and at  
4 least one of the following applies:

5 a. The claim is not received by the specified deadline.

6 b. In the case of a claim that is timely received but  
7 rejected by the dissolved limited partnership, the claimant  
8 does not commence an action to enforce the claim against the  
9 limited partnership within ninety days after the receipt of  
10 the notice of the rejection.

11 4. This section does not apply to a claim based on an  
12 event occurring after the effective date of dissolution or a  
13 liability that is contingent on that date.

14 Sec. 69. NEW SECTION. 488.807 OTHER CLAIMS AGAINST  
15 DISSOLVED LIMITED PARTNERSHIP.

16 1. A dissolved limited partnership may publish notice of  
17 its dissolution and request persons having claims against the  
18 limited partnership to present them in accordance with the  
19 notice.

20 2. The notice must do all of the following:

21 a. Be published at least once in a newspaper of general  
22 circulation in the county in which the dissolved limited  
23 partnership's principal office is located or, if it has none  
24 in this state, in the county in which the limited  
25 partnership's designated office is or was last located.

26 b. Describe the information required to be contained in a  
27 claim and provide a mailing address to which the claim is to  
28 be sent.

29 c. State that a claim against the limited partnership is  
30 barred unless an action to enforce the claim is commenced  
31 within five years after publication of the notice.

32 d. Unless the limited partnership has been throughout its  
33 existence a limited liability limited partnership or elected  
34 under prior law to become a limited liability limited  
35 partnership, state that the barring of a claim against the



1 limited partnership will also bar any corresponding claim  
2 against any general partner or person dissociated as a general  
3 partner which is based on section 488.404.

4 3. If a dissolved limited partnership publishes a notice  
5 in accordance with subsection 2, the claim of each of the  
6 following claimants is barred unless the claimant commences an  
7 action to enforce the claim against the dissolved limited  
8 partnership within five years after the publication date of  
9 the notice:

10 a. A claimant that did not receive notice in a record  
11 under section 488.806.

12 b. A claimant whose claim was timely sent to the dissolved  
13 limited partnership but not acted on.

14 c. A claimant whose claim is contingent or based on an  
15 event occurring after the effective date of dissolution.

16 4. A claim not barred under this section may be enforced:

17 a. Against the dissolved limited partnership, to the  
18 extent of its undistributed assets.

19 b. If the assets have been distributed in liquidation,  
20 against a partner or transferee to the extent of that person's  
21 proportionate share of the claim or the limited partnership's  
22 assets distributed to the partner or transferee in  
23 liquidation, whichever is less, but a person's total liability  
24 for all claims under this paragraph does not exceed the total  
25 amount of assets distributed to the person as part of the  
26 winding up of the dissolved limited partnership.

27 c. Against any person liable on the claim under section  
28 488.404.

29 Sec. 70. NEW SECTION. 488.808 COURT PROCEEDINGS.

30 1. A dissolved limited partnership that has published a  
31 notice under section 488.807 may file an application with the  
32 district court of the county in which the office described in  
33 section 488.114 is located for a determination of the amount  
34 and form of security to be provided for the payment of claims  
35 that are contingent or have not been made known to the

1 dissolved limited partnership or that are based on an event  
 2 occurring after the effective date of dissolution but that  
 3 based on the facts known to the dissolved limited partnership,  
 4 are reasonably estimated to arise after the effective date of  
 5 dissolution. Provision need not be made for any claim that is  
 6 or is reasonably anticipated to be barred under section  
 7 488.807.

8 2. Within ten days after the filing of the application,  
 9 notice of the proceeding shall be given by the dissolved  
 10 limited partnership to each claimant holding a contingent  
 11 claim whose contingent claim is shown on the records of the  
 12 dissolved limited partnership.

13 3. The court may appoint a guardian ad litem to represent  
 14 all claimants whose identities are unknown in any proceeding  
 15 brought under this section. The reasonable fees and expenses  
 16 of such guardian, including all reasonable expert witness  
 17 fees, shall be paid by the dissolved limited partnership.

18 4. Provision by the dissolved limited partnership for  
 19 security in the amount and form ordered by the court under  
 20 subsection 1 shall satisfy the dissolved limited partnership's  
 21 obligations with respect to claims that are contingent, have  
 22 not been made known to the dissolved limited partnership or  
 23 are based on an event occurring after the effective date of  
 24 dissolution, and such claims shall not be enforced against a  
 25 partner who received assets in liquidation.

26 Sec. 71. NEW SECTION. 488.808A LIABILITY OF GENERAL  
 27 PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER WHEN CLAIM  
 28 AGAINST LIMITED PARTNERSHIP BARRED.

29 If a claim against a dissolved limited partnership is  
 30 barred under section 488.806 or 488.807, any corresponding  
 31 claim under section 488.404 is also barred.

32 Sec. 72. NEW SECTION. 488.809 ADMINISTRATIVE  
 33 DISSOLUTION.

34 1. The secretary of state may dissolve a limited  
 35 partnership administratively if the limited partnership does

1 not, within sixty days after the due date, do any of the  
2 following:

3 a. Pay any fee, tax, or penalty under this chapter or  
4 other law due to the secretary of state.

5 b. Deliver its biennial report to the secretary of state.

6 2. If the secretary of state determines that a ground  
7 exists for administratively dissolving a limited partnership,  
8 the secretary of state shall file a record of the  
9 determination and serve the limited partnership with a copy of  
10 the filed record.

11 3. If within sixty days after service of the copy the  
12 limited partnership does not correct each ground for  
13 dissolution or demonstrate to the reasonable satisfaction of  
14 the secretary of state that each ground determined by the  
15 secretary of state does not exist, the secretary of state  
16 shall administratively dissolve the limited partnership by  
17 preparing, signing, and filing a declaration of dissolution  
18 that states the grounds for dissolution. The secretary of  
19 state shall serve the limited partnership with a copy of the  
20 filed declaration.

21 4. A limited partnership administratively dissolved  
22 continues its existence but may carry on only activities  
23 necessary to wind up its activities and liquidate its assets  
24 under sections 488.803 and 488.812 and to notify claimants  
25 under sections 488.806 and 488.807.

26 5. The administrative dissolution of a limited partnership  
27 does not terminate the authority of its agent for service of  
28 process.

29 Sec. 73. NEW SECTION. 488.810 REINSTATEMENT FOLLOWING  
30 ADMINISTRATIVE DISSOLUTION.

31 1. A limited partnership that has been administratively  
32 dissolved may apply to the secretary of state for  
33 reinstatement within two years after the effective date of  
34 dissolution. The application must be delivered to the  
35 secretary of state for filing and state all of the following:

1 a. The name of the limited partnership and the effective  
2 date of its administrative dissolution.

3 b. That the grounds for dissolution either did not exist  
4 or have been eliminated.

5 c. That the limited partnership's name satisfies the  
6 requirements of section 488.108.

7 2. If the secretary of state determines that an  
8 application contains the information required by subsection 2  
9 and that the information is correct, the secretary of state  
10 shall prepare a declaration of reinstatement that states this  
11 determination, sign, and file the original of the declaration  
12 of reinstatement, and serve the limited partnership with a  
13 copy.

14 3. When reinstatement becomes effective, it relates back  
15 to and takes effect as of the effective date of the  
16 administrative dissolution and the limited partnership may  
17 resume its activities as if the administrative dissolution had  
18 never occurred.

19 Sec. 74. NEW SECTION. 488.811 APPEAL FROM DENIAL OF  
20 REINSTATEMENT.

21 1. If the secretary of state denies a limited  
22 partnership's application for reinstatement following  
23 administrative dissolution, the secretary of state shall  
24 prepare, sign, and file a notice that explains the reason or  
25 reasons for denial and serve the limited partnership with a  
26 copy of the notice.

27 2. Within thirty days after service of the notice of  
28 denial, the limited partnership may appeal from the denial of  
29 reinstatement by petitioning the district court to set aside  
30 the dissolution. The petition must be served on the secretary  
31 of state and contain a copy of the secretary of state's  
32 declaration of dissolution, the limited partnership's  
33 application for reinstatement, and the secretary of state's  
34 notice of denial.

35 3. The court may summarily order the secretary of state to

1 reinstate the dissolved limited partnership or may take other  
2 action the court considers appropriate.

3 Sec. 75. NEW SECTION. 488.812 DISPOSITION OF ASSETS --  
4 WHEN CONTRIBUTIONS REQUIRED.

5 1. In winding up a limited partnership's activities, the  
6 assets of the limited partnership, including the contributions  
7 required by this section, must be applied to satisfy the  
8 limited partnership's obligations to creditors, including, to  
9 the extent permitted by law, partners that are creditors.

10 2. Any surplus remaining after the limited partnership  
11 complies with subsection 1 must be paid in cash as a  
12 distribution.

13 3. If a limited partnership's assets are insufficient to  
14 satisfy all of its obligations under subsection 1, with  
15 respect to each unsatisfied obligation incurred when the  
16 limited partnership was not a limited liability limited  
17 partnership, the following rules apply:

18 a. Each person that was a general partner when the  
19 obligation was incurred and that has not been released from  
20 the obligation under section 488.607 shall contribute to the  
21 limited partnership for the purpose of enabling the limited  
22 partnership to satisfy the obligation. The contribution due  
23 from each of those persons is in proportion to the right to  
24 receive distributions in the capacity of general partner in  
25 effect for each of those persons when the obligation was  
26 incurred.

27 b. If a person does not contribute the full amount  
28 required under paragraph "a" with respect to an unsatisfied  
29 obligation of the limited partnership, the other persons  
30 required to contribute by paragraph "a" on account of the  
31 obligation shall contribute the additional amount necessary to  
32 discharge the obligation. The additional contribution due  
33 from each of those other persons is in proportion to the right  
34 to receive distributions in the capacity of general partner in  
35 effect for each of those other persons when the obligation was

1 incurred.

2 c. If a person does not make the additional contribution  
3 required by paragraph "b", further additional contributions  
4 are determined and due in the same manner as provided in that  
5 paragraph.

6 4. A person that makes an additional contribution under  
7 subsection 3, paragraph "b" or "c", may recover from any  
8 person whose failure to contribute under subsection 3,  
9 paragraph "b" or "c", necessitated the additional  
10 contribution. A person shall not recover under this  
11 subsection more than the amount additionally contributed. A  
12 person's liability under this subsection shall not exceed the  
13 amount the person failed to contribute.

14 5. The estate of a deceased individual is liable for the  
15 person's obligations under this section.

16 6. An assignee for the benefit of creditors of a limited  
17 partnership or a partner, or a person appointed by a court to  
18 represent creditors of a limited partnership or a partner, may  
19 enforce a person's obligation to contribute under subsection  
20 3.

21 ARTICLE IX

22 FOREIGN LIMITED PARTNERSHIPS

23 Sec. 76. NEW SECTION. 488.901 GOVERNING LAW.

24 1. The laws of the state or other jurisdiction under which  
25 a foreign limited partnership is organized govern relations  
26 among the partners of the foreign limited partnership and  
27 between the partners and the foreign limited partnership and  
28 the liability of partners as partners for an obligation of the  
29 foreign limited partnership.

30 2. A foreign limited partnership shall not be denied a  
31 certificate of authority by reason of any difference between  
32 the laws of the jurisdiction under which the foreign limited  
33 partnership is organized and the laws of this state.

34 3. A certificate of authority does not authorize a foreign  
35 limited partnership to engage in any business or exercise any

1 power that a limited partnership shall not engage in or  
2 exercise in this state.

3 Sec. 77. NEW SECTION. 488.902 APPLICATION FOR  
4 CERTIFICATE OF AUTHORITY.

5 1. A foreign limited partnership may apply for a  
6 certificate of authority to transact business in this state by  
7 delivering an application to the secretary of state for  
8 filing. The application must state all of the following:

9 a. The name of the foreign limited partnership and, if the  
10 name does not comply with section 488.108, an alternate name  
11 adopted pursuant to section 488.905, subsection 1.

12 b. The name of the state or other jurisdiction under whose  
13 law the foreign limited partnership is organized.

14 c. The street and mailing address of the foreign limited  
15 partnership's principal office and, if the laws of the  
16 jurisdiction under which the foreign limited partnership is  
17 organized require the foreign limited partnership to maintain  
18 an office in that jurisdiction, the street and mailing address  
19 of the required office.

20 d. The name and street and mailing address of the foreign  
21 limited partnership's initial agent for service of process in  
22 this state.

23 e. The name and street and mailing address of each of the  
24 foreign limited partnership's general partners.

25 f. Whether the foreign limited partnership is a foreign  
26 limited liability limited partnership.

27 2. A foreign limited partnership shall deliver with the  
28 completed application a certificate of existence or a record  
29 of similar import signed by the secretary of state or other  
30 official having custody of the foreign limited partnership's  
31 publicly filed records in the state or other jurisdiction  
32 under whose law the foreign limited partnership is organized.

33 Sec. 78. NEW SECTION. 488.903 ACTIVITIES NOT  
34 CONSTITUTING TRANSACTING BUSINESS.

35 1. Activities of a foreign limited partnership which do

1 not constitute transacting business in this state within the  
2 meaning of this article include all of the following:

3 a. Maintaining, defending, and settling an action or  
4 proceeding.

5 b. Holding meetings of its partners or carrying on any  
6 other activity concerning its internal affairs.

7 c. Maintaining accounts in financial institutions.

8 d. Maintaining offices or agencies for the transfer,  
9 exchange, and registration of the foreign limited  
10 partnership's own securities or maintaining trustees or  
11 depositories with respect to those securities.

12 e. Selling through independent contractors.

13 f. Soliciting or obtaining orders, whether by mail or  
14 electronic means or through employees or agents or otherwise,  
15 if the orders require acceptance outside this state before  
16 they become contracts.

17 g. Creating or acquiring indebtedness, mortgages, or  
18 security interests in real or personal property.

19 h. Securing or collecting debts or enforcing mortgages or  
20 other security interests in property securing the debts, and  
21 holding, protecting, and maintaining property so acquired.

22 i. Owning, without more, real or personal property.

23 j. Conducting an isolated transaction that is completed  
24 within thirty days and is not one in the course of similar  
25 transactions of a like manner.

26 k. Transacting business in interstate commerce.

27 2. For purposes of this article, the ownership in this  
28 state of income-producing real or tangible personal property,  
29 other than property excluded under subsection 1, constitutes  
30 transacting business in this state.

31 3. This section does not apply in determining the contacts  
32 or activities that may subject a foreign limited partnership  
33 to service of process, taxation, or regulation under any other  
34 law of this state.

35 Sec. 79. NEW SECTION. 488.904 FILING OF CERTIFICATE OF



1 AUTHORITY.

2 Unless the secretary of state determines that an  
3 application for a certificate of authority does not comply  
4 with the filing requirements of this chapter, the secretary of  
5 state, upon receiving payment of all filing fees, shall file  
6 the application, notify the applicant that the application has  
7 been approved, and provide a receipt for the payment of fees.  
8 Such notification shall serve as certificate of authority to  
9 transact business in this state.

10 Sec. 80. NEW SECTION. 488.905 NONCOMPLYING NAME OF  
11 FOREIGN LIMITED PARTNERSHIP.

12 1. A foreign limited partnership whose name does not  
13 comply with section 488.108 shall not obtain a certificate of  
14 authority until it adopts, for the purpose of transacting  
15 business in this state, an alternate name that complies with  
16 section 488.108. A foreign limited partnership that adopts an  
17 alternate name under this subsection and then obtains a  
18 certificate of authority with the name need not also comply  
19 with chapter 547. After obtaining a certificate of authority  
20 with an alternate name, a foreign limited partnership shall  
21 transact business in this state under the name unless the  
22 foreign limited partnership is authorized under chapter 547 to  
23 transact business in this state under another name.

24 2. If a foreign limited partnership authorized to transact  
25 business in this state changes its name to one that does not  
26 comply with section 488.108, it shall not thereafter transact  
27 business in this state until it complies with subsection 1 and  
28 obtains an amended certificate of authority.

29 Sec. 81. NEW SECTION. 488.906 REVOCATION OF CERTIFICATE  
30 OF AUTHORITY.

31 1. A certificate of authority of a foreign limited  
32 partnership to transact business in this state may be revoked  
33 by the secretary of state in the manner provided in  
34 subsections 2 and 3 if the foreign limited partnership does  
35 not do any of the following:

1 a. Pay, within sixty days after the due date, any fee, tax  
2 or penalty under this chapter or other law due to the  
3 secretary of state.

4 b. Deliver, within sixty days after the due date, its  
5 biennial report required under section 488.210.

6 c. Appoint and maintain an agent for service of process as  
7 required by section 488.114, subsection 2.

8 d. Deliver for filing a statement of a change under  
9 section 488.115 within thirty days after a change has occurred  
10 in the name or address of the agent.

11 2. In order to revoke a certificate of authority, the  
12 secretary of state must prepare, sign, and file a notice of  
13 revocation and send a copy to the foreign limited  
14 partnership's agent for service of process in this state, or  
15 if the foreign limited partnership does not appoint and  
16 maintain a proper agent in this state, to the foreign limited  
17 partnership's designated office. The notice must state all of  
18 the following:

19 a. The revocation's effective date, which must be at least  
20 sixty days after the date the secretary of state sends the  
21 copy.

22 b. The foreign limited partnership's failures to comply  
23 with subsection 1 which are the reason for the revocation.

24 3. The authority of the foreign limited partnership to  
25 transact business in this state ceases on the effective date  
26 of the notice of revocation unless before that date the  
27 foreign limited partnership cures each failure to comply with  
28 subsection 1 stated in the notice. If the foreign limited  
29 partnership cures the failures, the secretary of state shall  
30 so indicate on the filed notice.

31 Sec. 82. NEW SECTION. 488.907 CANCELLATION OF  
32 CERTIFICATE OF AUTHORITY -- EFFECT OF FAILURE TO HAVE  
33 CERTIFICATE.

34 1. In order to cancel its certificate of authority to  
35 transact business in this state, a foreign limited partnership

1 must deliver to the secretary of state for filing a notice of  
2 cancellation. The certificate is canceled when the notice  
3 becomes effective under section 488.206.

4 2. A foreign limited partnership transacting business in  
5 this state shall not maintain an action or proceeding in this  
6 state unless it has a certificate of authority to transact  
7 business in this state.

8 3. The failure of a foreign limited partnership to have a  
9 certificate of authority to transact business in this state  
10 does not impair the validity of a contract or act of the  
11 foreign limited partnership or prevent the foreign limited  
12 partnership from defending an action or proceeding in this  
13 state.

14 4. A partner of a foreign limited partnership is not  
15 liable for the obligations of the foreign limited partnership  
16 solely by reason of the foreign limited partnership's having  
17 transacted business in this state without a certificate of  
18 authority.

19 5. If a foreign limited partnership transacts business in  
20 this state without a certificate of authority or cancels its  
21 certificate of authority, it appoints the secretary of state  
22 as its agent for service of process for rights of action  
23 arising out of the transaction of business in this state.

24 Sec. 83. NEW SECTION. 488.908 ACTION BY ATTORNEY  
25 GENERAL.

26 The attorney general may maintain an action to restrain a  
27 foreign limited partnership from transacting business in this  
28 state in violation of this article.

29 ARTICLE X

30 ACTIONS BY PARTNERS

31 Sec. 84. NEW SECTION. 488.1001 DIRECT ACTION BY PARTNER.

32 1. Subject to subsection 2, a partner may maintain a  
33 direct action against the limited partnership or another  
34 partner for legal or equitable relief, with or without an  
35 accounting as to the partnership's activities, to enforce the

1 rights and otherwise protect the interests of the partner,  
2 including rights and interests under the partnership agreement  
3 or this chapter or arising independently of the partnership  
4 relationship.

5 2. A partner commencing a direct action under this section  
6 is required to plead and prove an actual or threatened injury  
7 that is not solely the result of an injury suffered or  
8 threatened to be suffered by the limited partnership.

9 3. The accrual of, and any time limitation on, a right of  
10 action for a remedy under this section is governed by other  
11 law. A right to an accounting upon a dissolution and winding  
12 up does not revive a claim barred by law.

13 Sec. 85. NEW SECTION. 488.1002 DERIVATIVE ACTION.

14 A partner may maintain a derivative action to enforce a  
15 right of a limited partnership, but a partner shall not  
16 commence such a proceeding until both of the following have  
17 occurred:

18 1. A written demand has been made upon the general partner  
19 or partners, requesting that they cause the limited  
20 partnership to take suitable action.

21 2. Ninety days have expired from the date the demand was  
22 made, unless the partner has earlier been notified that the  
23 demand has been rejected by the general partner or partners or  
24 unless irreparable injury to the limited partnership would  
25 result by waiting for the expiration of the ninety-day period.

26 Sec. 86. NEW SECTION. 488.1003 PROPER PLAINTIFF.

27 A derivative action may be maintained only by a person that  
28 is a partner at the time the action is commenced and where one  
29 of the following also applies:

30 1. The person that was a partner when the conduct giving  
31 rise to the action occurred.

32 2. The person whose status as a partner devolved upon the  
33 person by operation of law or pursuant to the terms of the  
34 partnership agreement from a person that was a partner at the  
35 time of the conduct.

1 Sec. 87. NEW SECTION. 488.1004 PLEADING.

2 In a derivative action, the petition must state with  
3 particularity the date and content of plaintiff's demand and  
4 either the general partners' response to the demand or how the  
5 limited partnership would be irreparably harmed by waiting for  
6 such a response for ninety days.

7 Sec. 88. NEW SECTION. 488.1005 PROCEEDS AND EXPENSES.

8 1. Except as otherwise provided in subsection 2:

9 a. Any proceeds or other benefits of a derivative action,  
10 whether by judgment, compromise, or settlement, belong to the  
11 limited partnership and not to the derivative plaintiff.

12 b. If the derivative plaintiff receives any proceeds, the  
13 derivative plaintiff shall immediately remit them to the  
14 limited partnership.

15 2. If a derivative action is successful in whole or in  
16 part, the court may award the plaintiff reasonable expenses,  
17 including reasonable attorney fees, from the recovery of the  
18 limited partnership.

19 3. If the court finds that the derivative proceeding was  
20 commenced or maintained without reasonable cause or for an  
21 improper purpose, it may order the plaintiff to pay any  
22 defendant's reasonable expenses, including reasonable attorney  
23 fees, incurred in defending the action.

24 ARTICLE XI

25 CONVERSION AND MERGER

26 Sec. 89. NEW SECTION. 488.1101 DEFINITIONS.

27 For purposes of this article, unless the context otherwise  
28 requires:

29 1. "Constituent limited partnership" means a constituent  
30 organization that is a limited partnership.

31 2. "Constituent organization" means an organization that  
32 is party to a merger.

33 3. "Converted organization" means the organization into  
34 which a converting organization converts pursuant to sections  
35 488.1102 through 488.1105.

1 4. "Converting limited partnership" means a converting  
2 organization that is a limited partnership.

3 5. "Converting organization" means an organization that  
4 converts into another organization pursuant to section  
5 488.1102.

6 6. "General partner" means a general partner of a limited  
7 partnership.

8 7. "Governing statute" of an organization means the  
9 statute that governs the organization's internal affairs.

10 8. "Organization" means a general partnership, including a  
11 limited liability partnership; limited partnership, including  
12 a limited liability limited partnership; limited liability  
13 company; business trust; corporation; or any other person  
14 having a governing statute. The term includes domestic and  
15 foreign organizations whether or not organized for profit.

16 9. "Organizational documents" means all of the following:

17 a. For a domestic or foreign general partnership, its  
18 partnership agreement.

19 b. For a limited partnership or foreign limited  
20 partnership, its certificate of limited partnership and  
21 partnership agreement.

22 c. For a domestic or foreign limited liability company,  
23 its articles of organization and operating agreement, or  
24 comparable records as provided in its governing statute.

25 d. For a business trust, its agreement of trust and  
26 declaration of trust.

27 e. For a domestic or foreign corporation for profit, its  
28 articles of incorporation, bylaws, and other agreements among  
29 its shareholders which are authorized by its governing  
30 statute, or comparable records as provided in its governing  
31 statute.

32 f. For any other organization, the basic records that  
33 create the organization and determine its internal governance  
34 and the relations among the persons that own it, have an  
35 interest in it, or are members of it.

1 10. "Personal liability" means personal liability for a  
2 debt, liability, or other obligation of an organization which  
3 is imposed on a person that co-owns, has an interest in, or is  
4 a member of the organization according to either of the  
5 following:

6 a. By the organization's governing statute solely by  
7 reason of the person co-owning, having an interest in, or  
8 being a member of the organization.

9 b. By the organization's organizational documents under a  
10 provision of the organization's governing statute authorizing  
11 those documents to make one or more specified persons liable  
12 for all or specified debts, liabilities, and other obligations  
13 of the organization solely by reason of the person or persons  
14 co-owning, having an interest in, or being a member of the  
15 organization.

16 11. "Surviving organization" means an organization into  
17 which one or more other organizations are merged. A surviving  
18 organization may preexist the merger or be created by the  
19 merger.

20 Sec. 90. NEW SECTION. 488.1102 CONVERSION.

21 1. An organization other than a limited partnership may  
22 convert to a limited partnership, and a limited partnership  
23 may convert to another organization pursuant to this section  
24 and sections 488.1103 through 488.1105 and a plan of  
25 conversion, if all of the following apply:

26 a. The other organization's governing statute authorizes  
27 the conversion.

28 b. The conversion is not prohibited by the law of the  
29 jurisdiction that enacted the governing statute.

30 c. The other organization complies with its governing  
31 statute in effecting the conversion.

32 2. A plan of conversion must be in a record and must  
33 include all of the following:

34 a. The name and form of the organization before  
35 conversion.

1 b. The name and form of the organization after conversion.

2 c. The terms and conditions of the conversion, including  
3 the manner and basis for converting interests in the  
4 converting organization into any combination of money,  
5 interests in the converted organization, and other  
6 consideration.

7 d. The organizational documents of the converted  
8 organization.

9 Sec. 91. NEW SECTION. 488.1103 ACTION ON PLAN OF  
10 CONVERSION BY CONVERTING LIMITED PARTNERSHIP.

11 1. Subject to section 488.1110, a plan of conversion must  
12 be consented to by all the partners of a converting limited  
13 partnership.

14 2. Subject to section 488.1110 and any contractual rights,  
15 after a conversion is approved, and at any time before a  
16 filing is made under section 488.1104, a converting limited  
17 partnership may amend the plan or abandon the planned  
18 conversion according to any or all of the following:

19 a. As provided in the plan.

20 b. Except as prohibited by the plan, by the same consent  
21 as was required to approve the plan.

22 Sec. 92. NEW SECTION. 488.1104 FILINGS REQUIRED FOR  
23 CONVERSION -- EFFECTIVE DATE.

24 1. After a plan of conversion is approved:

25 a. A converting limited partnership shall deliver to the  
26 secretary of state for filing articles of conversion, which  
27 must include all of the following:

28 (1) A statement that the limited partnership has been  
29 converted into another organization.

30 (2) The name and form of the organization and the  
31 jurisdiction of its governing statute.

32 (3) The date the conversion is effective under the  
33 governing statute of the converted organization.

34 (4) A statement that the conversion was approved as  
35 required by this chapter.



1 (5) A statement that the conversion was approved as  
2 required by the governing statute of the converted  
3 organization.

4 (6) If the converted organization is a foreign  
5 organization not authorized to transact business in this  
6 state, the street and mailing address of an office which the  
7 secretary of state may use for the purposes of section  
8 488.1105, subsection 3.

9 b. If the converting organization is not a converting  
10 limited partnership, the converting organization shall deliver  
11 to the secretary of state for filing a certificate of limited  
12 partnership, which must include, in addition to the  
13 information required by section 488.201, all of the following:

14 (1) A statement that the limited partnership was converted  
15 from another organization.

16 (2) The name and form of the organization and the  
17 jurisdiction of its governing statute.

18 (3) A statement that the conversion was approved in a  
19 manner that complied with the organization's governing  
20 statute.

21 2. A conversion becomes effective according to the  
22 following:

23 a. If the converted organization is a limited partnership,  
24 when the certificate of limited partnership takes effect.

25 b. If the converted organization is not a limited  
26 partnership, as provided by the governing statute of the  
27 converted organization.

28 Sec. 93. NEW SECTION. 488.1105 EFFECT OF CONVERSION.

29 1. An organization that has been converted pursuant to  
30 this article is for all purposes the same entity that existed  
31 before the conversion.

32 2. When a conversion takes effect, all of the following  
33 apply:

34 a. All property owned by the converting organization  
35 remains vested in the converted organization.

1 b. All debts, liabilities, and other obligations of the  
2 converting organization continue as obligations of the  
3 converted organization.

4 c. An action or proceeding pending by or against the  
5 converting organization may be continued as if the conversion  
6 had not occurred.

7 d. Except as prohibited by other law, all of the rights,  
8 privileges, immunities, powers, and purposes of the converting  
9 organization remain vested in the converted organization.

10 e. Except as otherwise provided in the plan of conversion,  
11 the terms and conditions of the plan of conversion take  
12 effect.

13 f. Except as otherwise agreed, the conversion does not  
14 dissolve a converting limited partnership for the purposes of  
15 article 8.

16 3. A converted organization that is a foreign organization  
17 consents to the jurisdiction of the courts of this state to  
18 enforce any obligation owed by the converting limited  
19 partnership, if before the conversion the converting limited  
20 partnership was subject to suit in this state on the  
21 obligation. A converted organization that is a foreign  
22 organization and not authorized to transact business in this  
23 state appoints the secretary of state as its agent for service  
24 of process for purposes of enforcing an obligation under this  
25 subsection. Service on the secretary of state under this  
26 subsection is made in the same manner and with the same  
27 consequences as in section 488.117, subsections 3 and 4.

28 Sec. 94. NEW SECTION. 488.1106 MERGERS.

29 1. A limited partnership may merge with one or more other  
30 constituent organizations pursuant to this section and  
31 sections 488.1107 through 488.1109 and a plan of merger, if  
32 all of the following apply:

33 a. The governing statute of each the other organizations  
34 authorizes the merger.

35 b. The merger is not prohibited by the law of a

1 jurisdiction that enacted any of those governing statutes.

2 c. Each of the other organizations complies with its  
3 governing statute in effecting the merger.

4 2. A plan of merger must be in a record and must include  
5 all of the following:

6 a. The name and form of each constituent organization.

7 b. The name and form of the surviving organization and, if  
8 the surviving organization is to be created by the merger, a  
9 statement to that effect.

10 c. The terms and conditions of the merger, including the  
11 manner and basis for converting the interests in each  
12 constituent organization into any combination of money,  
13 interests in the surviving organization, and other  
14 consideration.

15 d. If the surviving organization is to be created by the  
16 merger, the surviving organization's organizational documents.

17 e. If the surviving organization is not to be created by  
18 the merger, any amendments to be made by the merger to the  
19 surviving organization's organizational documents.

20 Sec. 95. NEW SECTION. 488.1107 ACTION ON PLAN OF MERGER  
21 BY CONSTITUENT LIMITED PARTNERSHIP.

22 1. Subject to section 488.1110, a plan of merger must be  
23 consented to by all the partners of a constituent limited  
24 partnership.

25 2. Subject to section 488.1110 and any contractual rights,  
26 after a merger is approved, and at any time before a filing is  
27 made under section 488.1108, a constituent limited partnership  
28 may amend the plan or abandon the planned merger according to  
29 any or all the following:

30 a. As provided in the plan.

31 b. Except as prohibited by the plan, with the same consent  
32 as was required to approve the plan.

33 Sec. 96. NEW SECTION. 488.1108 FILINGS REQUIRED FOR  
34 MERGER -- EFFECTIVE DATE.

35 1. After each constituent organization has approved a

1 merger, articles of merger must be signed on behalf of all of  
2 the following:

3 a. Each preexisting constituent limited partnership, by  
4 each general partner listed in the certificate of limited  
5 partnership.

6 b. Each other preexisting constituent organization, by an  
7 authorized representative.

8 2. The articles of merger must include all of the  
9 following:

10 a. The name and form of each constituent organization and  
11 the jurisdiction of its governing statute.

12 b. The name and form of the surviving organization, the  
13 jurisdiction of its governing statute, and, if the surviving  
14 organization is created by the merger, a statement to that  
15 effect.

16 c. The date the merger is effective under the governing  
17 statute of the surviving organization.

18 d. If the surviving organization is to be created by the  
19 merger, one of the following:

20 (1) If it will be a limited partnership, the limited  
21 partnership's certificate of limited partnership.

22 (2) If it will be an organization other than a limited  
23 partnership, the organizational document that creates the  
24 organization.

25 e. If the surviving organization preexists the merger, any  
26 amendments provided for in the plan of merger for the  
27 organizational document that created the organization.

28 f. A statement as to each constituent organization that  
29 the merger was approved as required by the organization's  
30 governing statute.

31 g. If the surviving organization is a foreign organization  
32 not authorized to transact business in this state, the street  
33 and mailing address of an office which the secretary of state  
34 may use for the purposes of section 488.1109, subsection 2.

35 h. Any additional information required by the governing

1 statute of any constituent organization.

2 3. Each constituent limited partnership shall deliver the  
3 articles of merger for filing in the office of the secretary  
4 of state.

5 4. A merger becomes effective under this article according  
6 to one of the following:

7 a. If the surviving organization is a limited partnership,  
8 upon the later of the following:

9 (1) Compliance with subsection 3.

10 (2) Subject to section 488.206, subsection 3, as specified  
11 in the articles of merger.

12 b. If the surviving organization is not a limited  
13 partnership, as provided by the governing statute of the  
14 surviving organization.

15 Sec. 97. NEW SECTION. 488.1109 EFFECT OF MERGER.

16 1. When a merger becomes effective, all of the following  
17 apply:

18 a. The surviving organization continues or comes into  
19 existence.

20 b. Each constituent organization that merges into the  
21 surviving organization ceases to exist as a separate entity.

22 c. All property owned by each constituent organization  
23 that ceases to exist vests in the surviving organization.

24 d. All debts, liabilities, and other obligations of each  
25 constituent organization that ceases to exist continue as  
26 obligations of the surviving organization.

27 e. An action or proceeding pending by or against any  
28 constituent organization that ceases to exist may be continued  
29 as if the merger had not occurred.

30 f. Except as prohibited by other law, all of the rights,  
31 privileges, immunities, powers, and purposes of each  
32 constituent organization that ceases to exist vest in the  
33 surviving organization.

34 g. Except as otherwise provided in the plan of merger, the  
35 terms and conditions of the plan of merger take effect.

1 h. Except as otherwise agreed, if a constituent limited  
2 partnership ceases to exist, the merger does not dissolve the  
3 limited partnership for the purposes of article 8.

4 i. If the surviving organization is created by the merger,  
5 one of the following applies:

6 (1) If it is a limited partnership, the certificate of  
7 limited partnership becomes effective.

8 (2) If it is an organization other than a limited  
9 partnership, the organizational document that creates the  
10 organization becomes effective.

11 j. If the surviving organization preexists the merger, any  
12 amendments provided for in the articles of merger for the  
13 organizational document that created the organization become  
14 effective.

15 2. A surviving organization that is a foreign organization  
16 consents to the jurisdiction of the courts of this state to  
17 enforce any obligation owed by a constituent organization, if  
18 before the merger the constituent organization was subject to  
19 suit in this state on the obligation. A surviving  
20 organization that is a foreign organization and not authorized  
21 to transact business in this state appoints the secretary of  
22 state as its agent for service of process for the purposes of  
23 enforcing an obligation under this subsection. Service on the  
24 secretary of state under this subsection is made in the same  
25 manner and with the same consequences as in section 488.117,  
26 subsections 3 and 4.

27 Sec. 98. NEW SECTION. 488.1110 RESTRICTIONS ON APPROVAL  
28 OF CONVERSIONS AND MERGERS AND ON RELINQUISHING LLLP STATUS.

29 1. If a partner of a converting or constituent limited  
30 partnership will have personal liability with respect to a  
31 converted or surviving organization, approval and amendment of  
32 a plan of conversion or merger are ineffective without the  
33 consent of the partner, unless all of the following apply:

34 a. The limited partnership's partnership agreement  
35 provides for the approval of the conversion or merger with the

1 consent of fewer than all the partners.

2 b. The partner has consented to the provision of the  
3 partnership agreement.

4 2. An amendment to a certificate of limited partnership  
5 which deletes a statement that the limited partnership is a  
6 limited liability limited partnership is ineffective without  
7 the consent of each general partner, unless all of the  
8 following apply:

9 a. The limited partnership's partnership agreement  
10 provides for the amendment with the consent of less than all  
11 the general partners.

12 b. Each general partner that does not consent to the  
13 amendment has consented to the provision of the partnership  
14 agreement.

15 3. A partner does not give the consent required by  
16 subsection 1 or 2 merely by consenting to a provision of the  
17 partnership agreement which permits the partnership agreement  
18 to be amended with the consent of fewer than all the partners.

19 Sec. 99. NEW SECTION. 488.1111 LIABILITY OF GENERAL  
20 PARTNER AFTER CONVERSION OR MERGER.

21 1. A conversion or merger under this article does not  
22 discharge any liability under sections 488.404 and 488.607 of  
23 a person that was a general partner in or dissociated as a  
24 general partner from a converting or constituent limited  
25 partnership, but all of the following apply:

26 a. The provisions of this chapter pertaining to the  
27 collection or discharge of the liability continue to apply to  
28 the liability.

29 b. For the purposes of applying those provisions, the  
30 converted or surviving organization is deemed to be the  
31 converting or constituent limited partnership.

32 c. If a person is required to pay any amount under this  
33 subsection, all of the following apply:

34 (1) The person has a right of contribution from each other  
35 person that was liable as a general partner under section

1 488.404 when the obligation was incurred and has not been  
2 released from the obligation under section 488.607.

3 (2) The contribution due from each of those persons is in  
4 proportion to the right to receive distributions in the  
5 capacity of general partner in effect for each of those  
6 persons when the obligation was incurred.

7 2. In addition to any other liability provided by law,  
8 both of the following apply:

9 a. A person that immediately before a conversion or merger  
10 became effective was a general partner in a converting or  
11 constituent limited partnership that was not a limited  
12 liability limited partnership is personally liable for each  
13 obligation of the converted or surviving organization arising  
14 from a transaction with a third party after the conversion or  
15 merger becomes effective, if, at the time the third party  
16 enters into the transaction, all of the following apply to the  
17 third party:

18 (1) The third party does not have notice of the conversion  
19 or merger.

20 (2) The third party reasonably believes all of the  
21 following:

22 (a) The converted or surviving business is the converting  
23 or constituent limited partnership.

24 (b) The converting or constituent limited partnership is  
25 not a limited liability limited partnership.

26 (c) The person is a general partner in the converting or  
27 constituent limited partnership.

28 b. A person that was dissociated as a general partner from  
29 a converting or constituent limited partnership before the  
30 conversion or merger became effective is personally liable for  
31 each obligation of the converted or surviving organization  
32 arising from a transaction with a third party after the  
33 conversion or merger becomes effective, if all of the  
34 following apply:

35 (1) Immediately before the conversion or merger became



1 effective the converting or surviving limited partnership was  
2 not a limited liability limited partnership.

3 (2) At the time the third party enters into the  
4 transaction less than two years have passed since the person  
5 dissociated as a general partner and all of the following  
6 apply to the third party:

7 (a) The third party does not have notice of the  
8 dissociation.

9 (b) The third party does not have notice of the conversion  
10 or merger.

11 (c) The third party reasonably believes that the converted  
12 or surviving organization is the converting or constituent  
13 limited partnership, the converting or constituent limited  
14 partnership is not a limited liability limited partnership,  
15 and the person is a general partner in the converting or  
16 constituent limited partnership.

17 Sec. 100. NEW SECTION. 488.1112 POWER OF GENERAL  
18 PARTNERS AND PERSONS DISSOCIATED AS GENERAL PARTNERS TO BIND  
19 ORGANIZATION AFTER CONVERSION OR MERGER.

20 1. An act of a person that immediately before a conversion  
21 or merger became effective was a general partner in a  
22 converting or constituent limited partnership binds the  
23 converted or surviving organization after the conversion or  
24 merger becomes effective, if all of the following apply:

25 a. Before the conversion or merger became effective, the  
26 act would have bound the converting or constituent limited  
27 partnership under section 488.402.

28 b. At the time the third party enters into the  
29 transaction, all of the following apply to the third party:

30 (1) The third party does not have notice of the conversion  
31 or merger.

32 (2) The third party reasonably believes that the converted  
33 or surviving business is the converting or constituent limited  
34 partnership and that the person is a general partner in the  
35 converting or constituent limited partnership.

1 2. An act of a person that before a conversion or merger  
2 became effective was dissociated as a general partner from a  
3 converting or constituent limited partnership binds the  
4 converted or surviving organization after the conversion or  
5 merger becomes effective, if all of the following apply:

6 a. Before the conversion or merger became effective, the  
7 act would have bound the converting or constituent limited  
8 partnership under section 488.402 if the person had been a  
9 general partner.

10 b. At the time the third party enters into the  
11 transaction, less than two years have passed since the person  
12 dissociated as a general partner and all of the following  
13 apply to the third party:

14 (1) The third party does not have notice of the  
15 dissociation.

16 (2) The third party does not have notice of the conversion  
17 or merger.

18 (3) The third party reasonably believes that the converted  
19 or surviving organization is the converting or constituent  
20 limited partnership and that the person is a general partner  
21 in the converting or constituent limited partnership.

22 3. If a person having knowledge of the conversion or  
23 merger causes a converted or surviving organization to incur  
24 an obligation under subsection 1 or 2, the person is liable to  
25 either or both of the following:

26 a. To the converted or surviving organization for any  
27 damage caused to the organization arising from the obligation.

28 b. If another person is liable for the obligation, to that  
29 other person for any damage caused to that other person  
30 arising from the liability.

31 Sec. 101. NEW SECTION. 488.1113 ARTICLE NOT EXCLUSIVE.

32 This article does not preclude an entity from being  
33 converted or merged under other law.

34 ARTICLE XII  
35 MISCELLANEOUS PROVISIONS

1     Sec. 102. NEW SECTION. 488.1201 UNIFORMITY OF  
2 APPLICATION AND CONSTRUCTION.

3     In applying and construing this chapter, consideration must  
4 be given to the need to promote uniformity of the law with  
5 respect to its subject matter among states that enact it.

6     Sec. 103. NEW SECTION. 488.1202 SEVERABILITY.

7     If any provision of this chapter or its application to any  
8 person or circumstance is held invalid, the invalidity does  
9 not affect other provisions or applications of this chapter  
10 which can be given effect without the invalid provision or  
11 application, and to this end the provisions of this chapter  
12 are severable.

13     Sec. 104. NEW SECTION. 488.1203 RELATION TO ELECTRONIC  
14 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.

15     This chapter modifies, limits, or supersedes the federal  
16 Electronic Signatures in Global and National Commerce Act, 15  
17 U.S.C. § 7001 et seq., but this chapter does not modify,  
18 limit, or supersede section 101(c) of that Act or authorize  
19 electronic delivery of any of the notices described in section  
20 103(b) of that Act.

21     Sec. 105. NEW SECTION. 488.1204 APPLICATION TO EXISTING  
22 RELATIONSHIPS.

23     1. Before January 1, 2006, this chapter governs only the  
24 following:

25     a. A limited partnership formed on or after January 1,  
26 2005.

27     b. Except as otherwise provided in subsections 3 and 4, a  
28 limited partnership formed before January 1, 2005, that  
29 elects, in the manner provided in its partnership agreement or  
30 by law for amending the partnership agreement, to be subject  
31 to this chapter.

32     2. Except as otherwise provided in subsection 3, on and  
33 after January 1, 2006, this chapter governs all limited  
34 partnerships.

35     3. With respect to a limited partnership formed before

1 January 1, 2005, the following rules apply except as the  
2 partners otherwise elect in the manner provided in the  
3 partnership agreement or by law for amending the partnership  
4 agreement:

5 a. Section 488.104, subsection 3, does not apply and the  
6 limited partnership has whatever duration it had under the law  
7 applicable immediately before January 1, 2005.

8 b. The limited partnership is not required to amend its  
9 certificate of limited partnership to comply with section  
10 488.201, subsection 1, paragraph "d".

11 c. Sections 488.505, 488.601, and 488.602 do not apply,  
12 and a limited partner has the same right and power to  
13 dissociate from the limited partnership, with the same  
14 consequences, as existed immediately before January 1, 2005.

15 d. Section 488.603, subsection 4, does not apply.

16 e. Section 488.603, subsection 5, does not apply, and a  
17 court has the same power to expel a general partner as the  
18 court had immediately before January 1, 2005.

19 f. Section 488.801, subsection 3, does not apply and the  
20 connection between a person's dissociation as a general  
21 partner and the dissolution of the limited partnership is the  
22 same as existed immediately before January 1, 2005.

23 g. If a limited partnership elected under prior law to  
24 become a limited liability limited partnership by filing a  
25 statement of qualification with the secretary of state, the  
26 statement of qualification is deemed to be an amendment to the  
27 certificate of limited partnership in compliance with section  
28 488.201, subsection 1, paragraph "d", and the limited  
29 liability limited partnership automatically is a limited  
30 liability limited partnership under this chapter.

31 4. With respect to a limited partnership that elects  
32 pursuant to subsection 1, paragraph "b", to be subject to this  
33 chapter, after the election takes effect, the provisions of  
34 this chapter relating to the liability of the limited  
35 partnership's general partners to third parties apply

1 according to the following:

2 a. Before January 1, 2006, to all of the following:

3 (1) A third party that had not done business with the  
4 limited partnership in the year before the election took  
5 effect.

6 (2) A third party that had done business with the limited  
7 partnership in the year before the election took effect only  
8 if the third party knows or has received a notification of the  
9 election.

10 b. On and after January 1, 2006, to all third parties, but  
11 those provisions remain inapplicable to any obligation  
12 incurred while those provisions were inapplicable under  
13 paragraph "a", subparagraph (2).

14 c. Notwithstanding the foregoing provisions of this  
15 subsection, if a preexisting limited liability limited  
16 partnership elects to be subject to this chapter prior to  
17 January 1, 2006, this chapter's provisions relating to the  
18 liability of general partners to third parties apply  
19 immediately to all third parties, regardless of whether a  
20 third party has previously done business with the limited  
21 liability limited partnership.

22 Sec. 106. NEW SECTION. 488.1205 SAVINGS CLAUSE.

23 This chapter does not affect an action commenced,  
24 proceeding brought, or right accrued before this chapter takes  
25 effect.

26 Sec. 107. NEW SECTION. 488.1206 FEES.

27 1. The secretary of state shall collect the following fees  
28 when the documents described in this subsection are delivered  
29 to the secretary's office for filing:

30 a. Certificate of limited partnership ..... \$100

31 b. Application for registration of foreign  
32 limited partnership and for issuance of a  
33 certificate of registration to transact business  
34 in this state ..... \$100

35 c. Amendment to certificate of limited

1 partnership ..... \$100  
2 d. Amendment to application for registration  
3 of foreign limited partnership ..... \$100  
4 e. Cancellation of certificate of limited  
5 partnership ..... \$ 20  
6 f. Cancellation of registration of foreign  
7 limited partnership ..... \$ 20  
8 g. A consent required to be filed under this  
9 chapter ..... \$ 20  
10 h. Application to reserve a limited partnership  
11 name ..... \$ 10  
12 i. A notice of transfer of reservation of name ..... \$ 10  
13 j. Articles of correction ..... \$ 5  
14 k. Application for certificate of existence or  
15 registration ..... \$ 5  
16 l. A statement of dissociation ..... \$ 20  
17 m. A statement of dissolution ..... \$ 20  
18 n. A statement of termination ..... \$ 20  
19 o. A statement of change ..... \$ 20  
20 p. Any other document required or permitted  
21 to be filed ..... \$ 5  
22 2. The secretary of state shall collect a fee of five  
23 dollars each time process is served on the secretary under  
24 this chapter. The party to a proceeding causing service of  
25 process is entitled to recover this fee as costs if the party  
26 prevails in the proceeding.  
27 3. The secretary of state shall collect the following fees  
28 for copying and certifying the copy of any filed document  
29 relating to a limited partnership or foreign limited  
30 partnership:  
31 a. One dollar per page for copying.  
32 b. Five dollars for certification.  
33 Sec. 108. NEW SECTION. 488.1207 EFFECTIVE DATE.  
34 This chapter takes effect January 1, 2005, and applies as  
35 provided in section 488.1204 and in other sections of this

1 chapter.

2 Sec. 109. Section 15E.149, Code 2003, is amended to read  
3 as follows:

4 15E.149 MULTIPLE CORPORATIONS.

5 The public directors, by a majority vote, may create more  
6 than one corporation. Each additional corporation shall be  
7 governed by this division. An additional corporation may act  
8 as a general partner in a limited partnership under chapter  
9 487 or 488.

10 Sec. 110. Section 422.15, subsection 2, Code 2003, is  
11 amended to read as follows:

12 2. Every partnership including limited partnerships  
13 organized under chapter 487 or 488, having a place of business  
14 in the state, shall make a return, stating specifically the  
15 net income and capital gains (or losses) reported on the  
16 federal partnership return, the names and addresses of the  
17 partners, and their respective shares in said amounts.

18 Sec. 111. Section 486A.901, subsection 3, Code 2003, is  
19 amended to read as follows:

20 3. "Limited partnership" means a limited partnership  
21 created under chapter 487 or 488, predecessor law, or  
22 comparable law of another jurisdiction.

23 Sec. 112. Section 486A.902, subsection 5, Code 2003, is  
24 amended to read as follows:

25 5. A general partner who becomes a limited partner as a  
26 result of the conversion remains liable as a general partner  
27 for an obligation incurred by the partnership before the  
28 conversion takes effect. If the other party to a transaction  
29 with the limited partnership reasonably believes when entering  
30 the transaction that the limited partner is a general partner,  
31 the limited partner is liable for an obligation incurred by  
32 the limited partnership within ninety days after the  
33 conversion takes effect. The limited partner's liability for  
34 all other obligations of the limited partnership incurred  
35 after the conversion takes effect is that of a limited partner

1 as provided in chapter 487 or 488.

2 Sec. 113. Section 486A.906, subsection 4, Code 2003, is  
3 amended to read as follows:

4 4. If the obligations incurred before the merger by a  
5 party to the merger are not satisfied out of the property of  
6 the surviving partnership or limited partnership, the general  
7 partners of that party immediately before the effective date  
8 of the merger shall contribute the amount necessary to satisfy  
9 that party's obligations to the surviving entity, in the  
10 manner provided in section 486A.807 or in chapter 487 or 488  
11 or under the law of the jurisdiction in which the party was  
12 formed, as the case may be, as if the merged party were  
13 dissolved.

14 Sec. 114. NEW SECTION. 487.1401 REPEAL OF CHAPTER.

15 This chapter is repealed effective January 1, 2006.

16 Sec. 115. Section 490A.1203, subsection 1, paragraph c,  
17 Code 2003, is amended to read as follows:

18 c. A limited partnership which is a party to a proposed  
19 merger shall have the plan of merger authorized and approved  
20 in the manner and by the vote required by its partnership  
21 agreement and in accordance with chapter 487 or 488.

22 Sec. 116. Section 669.14, subsection 11, unnumbered  
23 paragraph 1, Code Supplement 2003, is amended to read as  
24 follows:

25 Any claim for financial loss based upon an act or omission  
26 in financial regulation, including but not limited to  
27 examinations, inspections, audits, or other financial  
28 oversight responsibilities, pursuant to chapters 87, 203,  
29 203C, 203D, 421B, 486, 487 or the figure "487", 488, and 490  
30 through 553, excluding chapters 540A, 542, 542B, 543B, 543C,  
31 543D, 544A, and 544B.

32 Sec. 117. Sections 15E.149, 422.15, 486A.901, 486A.902,  
33 486A.906, 490A.1203, and 669.14, Code 2003, as amended by this  
34 Act, are amended by striking from the sections the figure and  
35 word "487 or" or the figure "487,".



1     Sec. 118.   EFFECTIVE DATES.   This Act takes effect January  
2 1, 2005, except that section 117 of this Act takes effect  
3 January 1, 2006.

4     Sec. 119.   CODE EDITOR DIRECTIVE.   The Code editor shall  
5 correct, effective January 1, 2006, any outstanding references  
6 to chapter 487 in the Code or to be codified in the Code, when  
7 there appears to be no doubt as to the proper methods of  
8 making the correction.

9

EXPLANATION

10     This bill is based on an updated version of the Uniform  
11 Limited Partnership Act, approved by the National Conference  
12 of Commissioners on Uniform State Laws in 2002. The bill has  
13 been formatted to be consistent with other Iowa statutes, and  
14 certain provisions of the bill have been changed to be  
15 consistent with other business laws in Iowa.

16     A limited partnership may be established for any lawful  
17 purpose; may exist for a perpetual duration or as provided in  
18 the partnership agreement; may use names of the limited  
19 partners in the name of the partnership; and must file a  
20 biennial report with the secretary of state. Recordkeeping  
21 for all forms required under the chapter is centralized in the  
22 secretary of state's office, and a schedule of fees is  
23 provided. The chapter does allow the secretary of state to  
24 specify the acceptable format for filing.

25     A limited partner has no liability for the debts of the  
26 entity, even if the limited partner participates in the  
27 management and control of the limited partnership. A limited  
28 partner is obligated to exercise rights consistent with good  
29 faith and fair dealing, but has no fiduciary duties solely by  
30 reason of being a limited partner. A limited partner may  
31 access certain information about the partnership without a  
32 showing of good cause, but the partnership agreement may set  
33 reasonable restrictions on access to and use of required  
34 information. For other information, the limited partner must  
35 make a reasonable demand for access.

1 The bill also sets forth duties for the general partners,  
 2 provides methods for distributions according to contributions  
 3 made, and establishes powers and liabilities related to  
 4 dissociation of partners. Specific procedures exist for  
 5 transferring economic rights, winding up business, dealing  
 6 with creditors, and organizational mergers and conversions.

7 The bill establishes a serious misdemeanor penalty in new  
 8 Code section 488.208 for persons who sign a record required or  
 9 authorized to be filed under Code chapter 488 that the signer  
 10 knows to be false. This is the same penalty for signing a  
 11 false document under the prior limited partnership Act in Code  
 12 chapter 487. A serious misdemeanor is normally punishable by  
 13 a fine of at least \$250 but not more than \$1,500 and may also  
 14 include confinement for no more than one year; however, the  
 15 section limits the penalty in this instance to a fine of no  
 16 more than \$1,000.

17 The new Code chapter is effective January 1, 2005, and  
 18 applies to limited partnerships formed at or before that time  
 19 that elect to be covered by the law. After January 1, 2006,  
 20 the law applies to all limited partnerships, with certain  
 21 exceptions for limited partnerships formed prior to January 1,  
 22 2005.

23 The bill generally takes effect January 1, 2005.

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