

Sunsets 1/1/2016

48-2c-120 Articles of organization and operating agreement.

- (1) A company's articles of organization or operating agreement may not:
 - (a) restrict a right to inspect and copy records under Section 48-2c-113;
 - (b) reduce the duties of members or managers under Section 48-2c-807;
 - (c) eliminate the obligation of good faith and fair dealing, except that the members by written agreement may determine the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;
 - (d) vary any filing requirement under this chapter;
 - (e) vary any requirement under this chapter that a particular action or provision be reflected in a writing;
 - (f) vary the right to expel a member based on any event specified in Subsection 48-2c-710(3);
 - (g) vary the remedies under Section 48-2c-1210 for judicial dissolution of a company;
 - (h) except as allowed by Section 48-2c-1103 or any other provision of law, restrict rights of, or impose duties on, persons other than the members, their assignees and transferees, the managers, and the company, without the consent of those persons; or
 - (i) eliminate or limit the personal liability of any person vested with management authority to the company or its members for damages for any breach of duty in the capacity where a judgment or other final adjudication adverse to the manager establishes that the manager's acts or omissions:
 - (i) were in bad faith;
 - (ii) involved gross negligence;
 - (iii) involved willful misconduct; or
 - (iv) resulted in a financial profit or other advantage to which the manager was not legally entitled.
- (2) The articles of organization and operating agreement may:
 - (a) vary the requirement under Section 48-2c-1104 that, if all of the other members of the company other than the member proposing to dispose of the member's interest do not approve of the proposed transfer or assignment by unanimous written consent, the transferee of the member's interest shall have no right to participate in the management of the business or affairs of the company or to become a member; and
 - (b) vary the requirement under Section 48-2c-703 that, after the filing of the original articles of organization, a person may be admitted as an additional member only upon the written consent of all members.