

1 **UNINCORPORATED BUSINESS ENTITIES**

2 2013 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Lyle W. Hillyard**

5 House Sponsor: V. Lowry Snow

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7 **LONG TITLE**

8 **General Description:**

9 This bill modifies Title 48, Partnership, to enact a new Unincorporated Business Entity  
10 Act, and modifies references to the partnership or unincorporated business entities  
11 provisions throughout the Utah Code.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ enacts provisions related to partnerships, including:
- 15 • providing for general provisions;
  - 16 • addressing the nature of a partnership;
  - 17 • addressing relations of partners to persons dealing with partnerships;
  - 18 • addressing relations of partners to each other and to partnership;
  - 19 • addressing transferable interests and rights of transferees and creditors;
  - 20 • addressing dissociation;
  - 21 • addressing dissociation when business not wound up;
  - 22 • addressing dissolution and winding up;
  - 23 • addressing mergers, interest exchanges, conversion, and domestication;
  - 24 • providing for limited liability partnerships;
  - 25 • addressing foreign limited liability partnerships; and
  - 26 • enacting miscellaneous provisions;
- 27 ▶ enacts provisions related to limited partnerships, including:
- 28 • providing for general provisions;
  - 29 • addressing formation and the certificate of limited partnership and other filings;

- 30           • addressing limited partners;
- 31           • addressing general partners;
- 32           • addressing contributions and distributions;
- 33           • addressing dissociation;
- 34           • addressing transferable interests and rights of transferees and creditors;
- 35           • addressing dissolution and winding up;
- 36           • addressing foreign limited partnerships;
- 37           • addressing actions by partners;
- 38           • addressing merger, interest exchange, conversion, and domestication;
- 39           • enacting miscellaneous provisions;
- 40           ▶ enacts provisions related to limited liability companies, including:
  - 41           • providing for general provisions;
  - 42           • addressing formation, the certificate of organization, and other filings;
  - 43           • addressing relations of members and managers to persons dealing with limited
  - 44 liability company;
  - 45           • addressing relations of members to each other and to limited liability company;
  - 46           • addressing transferable interests and rights of transferees and creditors;
  - 47           • addressing dissociation;
  - 48           • addressing dissolution and winding up;
  - 49           • addressing foreign limited liability companies;
  - 50           • addressing actions by members;
  - 51           • addressing merger, interest exchange, conversion, and domestication;
  - 52           • addressing professional services companies, series, and low-profit limited
  - 53 liability companies; and
  - 54           • enacting miscellaneous provisions;
- 55           ▶ extends repeal date of existing Title 48, Partnership, to January 1, 2016;
- 56           ▶ repeals previous provisions modifying existing Title 48, Partnership;
- 57           ▶ modifies cross-references;

58           ▶ makes technical and conforming amendments.

59 **Money Appropriated in this Bill:**

60           None

61 **Other Special Clauses:**

62           This bill provides an effective date.

63 **Utah Code Sections Affected:**

64 AMENDS:

65           **7-1-810 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

66           **7-3-10 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

67           **7-8-3 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

68           **13-34-114 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

69           **16-6a-1008.7 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter

70 353

71           **16-10a-1008.7 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter

72 353

73           **16-16-111 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

74           **16-17-102 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

75           **31A-37a-102 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter

76 353

77           **46-4-503 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

78           **53C-1-201 (Effective 05/01/13) (Sup 07/01/13)**, as last amended by Laws of Utah

79 2012, Chapter 347

80           **61-2f-401 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

81           **61-2g-103 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

82           **75-7-1011 (Effective 07/01/13)**, as last amended by Laws of Utah 2011, Chapter 353

83 ENACTS:

84           **48-1-.5**, Utah Code Annotated 1953

85           **48-1c-101**, Utah Code Annotated 1953

86           **48-1d-101**, Utah Code Annotated 1953  
87           **48-1d-102**, Utah Code Annotated 1953  
88           **48-1d-103**, Utah Code Annotated 1953  
89           **48-1d-104**, Utah Code Annotated 1953  
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- 145        **48-1d-905**, Utah Code Annotated 1953
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- 152        **48-1d-1002**, Utah Code Annotated 1953
- 153        **48-1d-1003**, Utah Code Annotated 1953
- 154        **48-1d-1004**, Utah Code Annotated 1953
- 155        **48-1d-1005**, Utah Code Annotated 1953
- 156        **48-1d-1006**, Utah Code Annotated 1953
- 157        **48-1d-1007**, Utah Code Annotated 1953
- 158        **48-1d-1008**, Utah Code Annotated 1953
- 159        **48-1d-1021**, Utah Code Annotated 1953
- 160        **48-1d-1022**, Utah Code Annotated 1953
- 161        **48-1d-1023**, Utah Code Annotated 1953
- 162        **48-1d-1024**, Utah Code Annotated 1953
- 163        **48-1d-1025**, Utah Code Annotated 1953
- 164        **48-1d-1026**, Utah Code Annotated 1953
- 165        **48-1d-1031**, Utah Code Annotated 1953
- 166        **48-1d-1032**, Utah Code Annotated 1953
- 167        **48-1d-1033**, Utah Code Annotated 1953
- 168        **48-1d-1034**, Utah Code Annotated 1953
- 169        **48-1d-1035**, Utah Code Annotated 1953

- 170        **48-1d-1036**, Utah Code Annotated 1953
- 171        **48-1d-1041**, Utah Code Annotated 1953
- 172        **48-1d-1042**, Utah Code Annotated 1953
- 173        **48-1d-1043**, Utah Code Annotated 1953
- 174        **48-1d-1044**, Utah Code Annotated 1953
- 175        **48-1d-1045**, Utah Code Annotated 1953
- 176        **48-1d-1046**, Utah Code Annotated 1953
- 177        **48-1d-1051**, Utah Code Annotated 1953
- 178        **48-1d-1052**, Utah Code Annotated 1953
- 179        **48-1d-1053**, Utah Code Annotated 1953
- 180        **48-1d-1054**, Utah Code Annotated 1953
- 181        **48-1d-1055**, Utah Code Annotated 1953
- 182        **48-1d-1056**, Utah Code Annotated 1953
- 183        **48-1d-1101**, Utah Code Annotated 1953
- 184        **48-1d-1102**, Utah Code Annotated 1953
- 185        **48-1d-1103**, Utah Code Annotated 1953
- 186        **48-1d-1104**, Utah Code Annotated 1953
- 187        **48-1d-1105**, Utah Code Annotated 1953
- 188        **48-1d-1106**, Utah Code Annotated 1953
- 189        **48-1d-1107**, Utah Code Annotated 1953
- 190        **48-1d-1108**, Utah Code Annotated 1953
- 191        **48-1d-1109**, Utah Code Annotated 1953
- 192        **48-1d-1201**, Utah Code Annotated 1953
- 193        **48-1d-1202**, Utah Code Annotated 1953
- 194        **48-1d-1203**, Utah Code Annotated 1953
- 195        **48-1d-1204**, Utah Code Annotated 1953
- 196        **48-1d-1205**, Utah Code Annotated 1953
- 197        **48-1d-1206**, Utah Code Annotated 1953

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203           **48-1d-1212**, Utah Code Annotated 1953  
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290           **48-2e-809**, Utah Code Annotated 1953  
291           **48-2e-810**, Utah Code Annotated 1953  
292           **48-2e-811**, Utah Code Annotated 1953  
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325           **48-2e-1125**, Utah Code Annotated 1953  
326           **48-2e-1126**, Utah Code Annotated 1953  
327           **48-2e-1131**, Utah Code Annotated 1953  
328           **48-2e-1132**, Utah Code Annotated 1953  
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331           **48-2e-1135**, Utah Code Annotated 1953  
332           **48-2e-1136**, Utah Code Annotated 1953  
333           **48-2e-1141**, Utah Code Annotated 1953  
334           **48-2e-1142**, Utah Code Annotated 1953  
335           **48-2e-1143**, Utah Code Annotated 1953  
336           **48-2e-1144**, Utah Code Annotated 1953  
337           **48-2e-1145**, Utah Code Annotated 1953

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389           **48-3a-408**, Utah Code Annotated 1953  
390           **48-3a-409**, Utah Code Annotated 1953  
391           **48-3a-410**, Utah Code Annotated 1953  
392           **48-3a-501**, Utah Code Annotated 1953  
393           **48-3a-502**, Utah Code Annotated 1953

394           **48-3a-503**, Utah Code Annotated 1953  
395           **48-3a-504**, Utah Code Annotated 1953  
396           **48-3a-601**, Utah Code Annotated 1953  
397           **48-3a-602**, Utah Code Annotated 1953  
398           **48-3a-603**, Utah Code Annotated 1953  
399           **48-3a-701**, Utah Code Annotated 1953  
400           **48-3a-702**, Utah Code Annotated 1953  
401           **48-3a-703**, Utah Code Annotated 1953  
402           **48-3a-704**, Utah Code Annotated 1953  
403           **48-3a-705**, Utah Code Annotated 1953  
404           **48-3a-706**, Utah Code Annotated 1953  
405           **48-3a-707**, Utah Code Annotated 1953  
406           **48-3a-708**, Utah Code Annotated 1953  
407           **48-3a-709**, Utah Code Annotated 1953  
408           **48-3a-710**, Utah Code Annotated 1953  
409           **48-3a-711**, Utah Code Annotated 1953  
410           **48-3a-801**, Utah Code Annotated 1953  
411           **48-3a-802**, Utah Code Annotated 1953  
412           **48-3a-803**, Utah Code Annotated 1953  
413           **48-3a-804**, Utah Code Annotated 1953  
414           **48-3a-805**, Utah Code Annotated 1953  
415           **48-3a-806**, Utah Code Annotated 1953  
416           **48-3a-901**, Utah Code Annotated 1953  
417           **48-3a-902**, Utah Code Annotated 1953  
418           **48-3a-903**, Utah Code Annotated 1953  
419           **48-3a-904**, Utah Code Annotated 1953  
420           **48-3a-905**, Utah Code Annotated 1953  
421           **48-3a-906**, Utah Code Annotated 1953

- 422            **48-3a-907**, Utah Code Annotated 1953
- 423            **48-3a-908**, Utah Code Annotated 1953
- 424            **48-3a-909**, Utah Code Annotated 1953
- 425            **48-3a-910**, Utah Code Annotated 1953
- 426            **48-3a-911**, Utah Code Annotated 1953
- 427            **48-3a-912**, Utah Code Annotated 1953
- 428            **48-3a-1001**, Utah Code Annotated 1953
- 429            **48-3a-1002**, Utah Code Annotated 1953
- 430            **48-3a-1003**, Utah Code Annotated 1953
- 431            **48-3a-1004**, Utah Code Annotated 1953
- 432            **48-3a-1005**, Utah Code Annotated 1953
- 433            **48-3a-1006**, Utah Code Annotated 1953
- 434            **48-3a-1007**, Utah Code Annotated 1953
- 435            **48-3a-1008**, Utah Code Annotated 1953
- 436            **48-3a-1021**, Utah Code Annotated 1953
- 437            **48-3a-1022**, Utah Code Annotated 1953
- 438            **48-3a-1023**, Utah Code Annotated 1953
- 439            **48-3a-1024**, Utah Code Annotated 1953
- 440            **48-3a-1025**, Utah Code Annotated 1953
- 441            **48-3a-1026**, Utah Code Annotated 1953
- 442            **48-3a-1031**, Utah Code Annotated 1953
- 443            **48-3a-1032**, Utah Code Annotated 1953
- 444            **48-3a-1033**, Utah Code Annotated 1953
- 445            **48-3a-1034**, Utah Code Annotated 1953
- 446            **48-3a-1035**, Utah Code Annotated 1953
- 447            **48-3a-1036**, Utah Code Annotated 1953
- 448            **48-3a-1041**, Utah Code Annotated 1953
- 449            **48-3a-1042**, Utah Code Annotated 1953

450           **48-3a-1043**, Utah Code Annotated 1953  
451           **48-3a-1044**, Utah Code Annotated 1953  
452           **48-3a-1045**, Utah Code Annotated 1953  
453           **48-3a-1046**, Utah Code Annotated 1953  
454           **48-3a-1051**, Utah Code Annotated 1953  
455           **48-3a-1052**, Utah Code Annotated 1953  
456           **48-3a-1053**, Utah Code Annotated 1953  
457           **48-3a-1054**, Utah Code Annotated 1953  
458           **48-3a-1055**, Utah Code Annotated 1953  
459           **48-3a-1056**, Utah Code Annotated 1953  
460           **48-3a-1101**, Utah Code Annotated 1953  
461           **48-3a-1102**, Utah Code Annotated 1953  
462           **48-3a-1103**, Utah Code Annotated 1953  
463           **48-3a-1104**, Utah Code Annotated 1953  
464           **48-3a-1105**, Utah Code Annotated 1953  
465           **48-3a-1106**, Utah Code Annotated 1953  
466           **48-3a-1107**, Utah Code Annotated 1953  
467           **48-3a-1108**, Utah Code Annotated 1953  
468           **48-3a-1109**, Utah Code Annotated 1953  
469           **48-3a-1110**, Utah Code Annotated 1953  
470           **48-3a-1111**, Utah Code Annotated 1953  
471           **48-3a-1112**, Utah Code Annotated 1953  
472           **48-3a-1201**, Utah Code Annotated 1953  
473           **48-3a-1202**, Utah Code Annotated 1953  
474           **48-3a-1203**, Utah Code Annotated 1953  
475           **48-3a-1204**, Utah Code Annotated 1953  
476           **48-3a-1205**, Utah Code Annotated 1953  
477           **48-3a-1206**, Utah Code Annotated 1953

- 478           **48-3a-1207**, Utah Code Annotated 1953
- 479           **48-3a-1208**, Utah Code Annotated 1953
- 480           **48-3a-1209**, Utah Code Annotated 1953
- 481           **48-3a-1301**, Utah Code Annotated 1953
- 482           **48-3a-1302**, Utah Code Annotated 1953
- 483           **48-3a-1303**, Utah Code Annotated 1953
- 484           **48-3a-1304**, Utah Code Annotated 1953
- 485           **48-3a-1401**, Utah Code Annotated 1953
- 486           **48-3a-1402**, Utah Code Annotated 1953
- 487           **48-3a-1403**, Utah Code Annotated 1953
- 488           **48-3a-1404**, Utah Code Annotated 1953
- 489           **48-3a-1405**, Utah Code Annotated 1953
- 490           **63I-2-248**, Utah Code Annotated 1953

491 REPEALS:

- 492           **48-1a-101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 493           **48-1a-102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 494           **48-1b-101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 495           **48-1b-102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 496           **48-1b-103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 497           **48-1b-104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 498           **48-1b-105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 499           **48-1b-106 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 500           **48-1b-107 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 501           **48-1b-201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 502           **48-1b-202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 503           **48-1b-203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 504           **48-1b-204 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 505           **48-1b-301 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 506            **48-1b-302 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 507            **48-1b-303 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 508            **48-1b-304 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 509            **48-1b-305 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 510            **48-1b-306 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 511            **48-1b-307 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 512            **48-1b-308 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 513            **48-1b-401 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 514            **48-1b-402 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 515            **48-1b-403 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 516            **48-1b-404 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 517            **48-1b-405 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 518            **48-1b-406 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 519            **48-1b-501 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 520            **48-1b-502 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 521            **48-1b-503 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 522            **48-1b-504 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 523            **48-1b-601 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 524            **48-1b-602 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 525            **48-1b-603 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 526            **48-1b-701 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 527            **48-1b-702 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 528            **48-1b-703 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 529            **48-1b-704 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 530            **48-1b-705 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 531            **48-1b-801 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 532            **48-1b-802 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 533            **48-1b-803 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

534 **48-1b-804 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
535 **48-1b-805 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
536 **48-1b-806 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
537 **48-1b-807 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
538 **48-1b-901 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
539 **48-1b-902 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
540 **48-1b-903 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
541 **48-1b-904 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
542 **48-1b-905 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
543 **48-1b-906 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
544 **48-1b-907 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
545 **48-1b-908 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
546 **48-1b-909 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
547 **48-1b-910 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
548 **48-1b-911 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
549 **48-1b-912 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
550 **48-1b-913 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
551 **48-1b-914 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
552 **48-1b-915 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
553 **48-1b-1001 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
554 **48-1b-1002 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
555 **48-1b-1003 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
556 **48-1b-1004 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
557 **48-1b-1101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
558 **48-1b-1102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
559 **48-1b-1102.1 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
560 **48-1b-1103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
561 **48-1b-1104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 562           **48-1b-1105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 563           **48-1b-1201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 564           **48-1b-1202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 565           **48-1b-1203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 566           **48-1b-1204 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 244
- 567           **48-1b-1205 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 244
- 568           **48-2d-101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 569           **48-2d-102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 570           **48-2d-103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 571           **48-2d-104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 572           **48-2d-105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 573           **48-2d-106 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 574           **48-2d-107 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 575           **48-2d-108 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 576           **48-2d-109 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 577           **48-2d-110 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 578           **48-2d-111 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 579           **48-2d-112 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 580           **48-2d-113 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 581           **48-2d-114 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 582           **48-2d-201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 583           **48-2d-202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 584           **48-2d-203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 585           **48-2d-204 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 586           **48-2d-205 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 587           **48-2d-206 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 588           **48-2d-207 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 589           **48-2d-208 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

590 48-2d-209 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
591 48-2d-210 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
592 48-2d-301 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
593 48-2d-302 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
594 48-2d-303 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
595 48-2d-304 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
596 48-2d-305 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
597 48-2d-306 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
598 48-2d-401 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
599 48-2d-402 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
600 48-2d-403 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
601 48-2d-404 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
602 48-2d-405 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
603 48-2d-406 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
604 48-2d-407 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
605 48-2d-408 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
606 48-2d-501 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
607 48-2d-502 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
608 48-2d-503 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
609 48-2d-504 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
610 48-2d-505 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
611 48-2d-506 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
612 48-2d-507 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
613 48-2d-508 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
614 48-2d-509 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
615 48-2d-601 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
616 48-2d-602 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353  
617 48-2d-603 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 353

- 618            **48-2d-604 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 619            **48-2d-605 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 620            **48-2d-606 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 621            **48-2d-607 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 622            **48-2d-701 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 623            **48-2d-702 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 624            **48-2d-703 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 625            **48-2d-704 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 626            **48-2d-801 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 627            **48-2d-802 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 628            **48-2d-803 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 629            **48-2d-804 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 630            **48-2d-805 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 631            **48-2d-806 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 632            **48-2d-807 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 633            **48-2d-808 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 634            **48-2d-809 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 635            **48-2d-810 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 636            **48-2d-811 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 637            **48-2d-812 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 638            **48-2d-901 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 639            **48-2d-902 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 640            **48-2d-903 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 641            **48-2d-904 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 642            **48-2d-905 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 643            **48-2d-906 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 644            **48-2d-907 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 645            **48-2d-908 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

646           **48-2d-1001 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
647           **48-2d-1002 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
648           **48-2d-1003 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
649           **48-2d-1004 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
650           **48-2d-1005 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
651           **48-2d-1101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
652           **48-2d-1102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
653           **48-2d-1103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
654           **48-2d-1104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
655           **48-2d-1105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
656           **48-2d-1106 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
657           **48-2d-1107 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
658           **48-2d-1108 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
659           **48-2d-1109 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
660           **48-2d-1110 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
661           **48-2d-1111 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
662           **48-2d-1112 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
663           **48-2d-1113 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
664           **48-2d-1114 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
665           **48-2d-1115 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
666           **48-2d-1116 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
667           **48-2d-1117 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
668           **48-2d-1201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
669           **48-2d-1202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
670           **48-2d-1203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353  
671           **48-2d-1204 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 244  
672           **48-2d-1205 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 244  
673           **48-3-101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 674            **48-3-102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 675            **48-3-103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 676            **48-3-104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 677            **48-3-105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 678            **48-3-106 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 679            **48-3-107 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 680            **48-3-108 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 681            **48-3-109 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 682            **48-3-110 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 683            **48-3-111 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 684            **48-3-112 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 685            **48-3-201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 686            **48-3-202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 687            **48-3-203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 688            **48-3-204 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 689            **48-3-205 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 690            **48-3-206 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 691            **48-3-207 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 692            **48-3-208 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 693            **48-3-209 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 694            **48-3-301 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 695            **48-3-302 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 696            **48-3-303 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 697            **48-3-304 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 698            **48-3-401 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 699            **48-3-402 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 700            **48-3-403 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 701            **48-3-404 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 702           **48-3-405 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 703           **48-3-406 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 704           **48-3-407 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 705           **48-3-408 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 706           **48-3-409 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 707           **48-3-410 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 708           **48-3-501 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 709           **48-3-502 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 710           **48-3-503 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 711           **48-3-504 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 712           **48-3-601 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 713           **48-3-602 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 714           **48-3-603 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 715           **48-3-701 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 716           **48-3-702 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 717           **48-3-703 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 718           **48-3-704 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 719           **48-3-705 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 720           **48-3-706 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 721           **48-3-707 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 722           **48-3-708 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 723           **48-3-709 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 724           **48-3-801 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 725           **48-3-802 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 726           **48-3-803 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 727           **48-3-804 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 728           **48-3-805 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 729           **48-3-806 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 730            **48-3-807 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 731            **48-3-808 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 732            **48-3-809 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 733            **48-3-901 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 734            **48-3-902 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 735            **48-3-903 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 736            **48-3-904 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 737            **48-3-905 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 738            **48-3-906 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 739            **48-3-1001 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 740            **48-3-1002 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 741            **48-3-1003 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 742            **48-3-1004 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 743            **48-3-1005 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 744            **48-3-1006 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 745            **48-3-1007 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 746            **48-3-1008 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 747            **48-3-1009 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 748            **48-3-1010 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 749            **48-3-1011 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 750            **48-3-1012 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 751            **48-3-1013 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 752            **48-3-1014 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 753            **48-3-1015 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 754            **48-3-1101 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 755            **48-3-1102 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 756            **48-3-1103 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 757            **48-3-1104 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353

- 758            **48-3-1105 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 759            **48-3-1106 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 760            **48-3-1107 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 761            **48-3-1108 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 762            **48-3-1109 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 763            **48-3-1110 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 764            **48-3-1111 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 765            **48-3-1112 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 766            **48-3-1201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 767            **48-3-1202 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 768            **48-3-1203 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 769            **48-3-1204 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 770            **48-3-1205 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 771            **48-3-1206 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 772            **48-3-1207 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 773            **48-3-1208 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 774            **48-3-1209 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 775            **48-3-1210 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 776            **48-3-1301 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 777            **48-3-1302 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 778            **48-3-1303 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 779            **48-3-1304 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 780            **48-3-1401 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 781            **48-3-1402 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 782            **48-3-1403 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 783            **48-3-1404 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 353
- 784            **48-3-1405 (Effective 07/01/13)**, as last amended by Laws of Utah 2012, Chapter 244

785    **Uncodified Material Affected:**

786 REPEALS UNCODIFIED MATERIAL:

787 **Uncodified Laws of Utah 2011, Chapter 353, Section 310**

788 This uncodified section affects Title 48 in effect June 30, 2013.

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790 *Be it enacted by the Legislature of the state of Utah:*

791 Section 1. Section **7-1-810 (Effective 07/01/13)** is amended to read:

792 **7-1-810 (Effective 07/01/13). Limited liability companies.**

793 (1) Notwithstanding any other provision of this title and subject to Subsection (8), if  
794 the conditions of this section are met, the following may be organized as or convert to a limited  
795 liability company under Title 48, Chapter [3] 2c, Utah Revised [~~Uniform~~] Limited Liability  
796 Company Act, or Title 48, Chapter 3a, Utah Revised Uniform Limited Liability Act, as  
797 appropriate pursuant to Section 48-3a-1405:

- 798 (a) an industrial bank chartered under Chapter 8, Industrial Banks;
- 799 (b) an industrial loan company as defined in Section 7-8-21; or
- 800 (c) any of the following if the institution is an S Corporation, as defined in Section  
801 1361, Internal Revenue Code, immediately before becoming a limited liability company:
  - 802 (i) a bank chartered under Chapter 3, Banks;
  - 803 (ii) a savings and loan association chartered under Chapter 7, Savings and Loan  
804 Associations Act; or
  - 805 (iii) a depository institution holding company.

806 (2) (a) Before an institution described in Subsection (1) may organize as or convert to a  
807 limited liability company, the institution shall obtain approval of the commissioner.

808 (b) (i) To obtain the approval under this section from the commissioner, the institution  
809 shall file a request for approval with the commissioner at least 30 days before the day on which  
810 the institution becomes a limited liability company.

811 (ii) If the commissioner does not disapprove the request for approval within 30 days  
812 from the day on which the commissioner receives the request, the request is considered  
813 approved.

814 (iii) When taking action on a request for approval filed under this section, the  
815 commissioner may:

816 (A) approve the request;

817 (B) approve the request subject to terms and conditions the commissioner considers  
818 necessary; or

819 (C) disapprove the request.

820 (3) To approve a request for approval, the commissioner shall find:

821 (a) for an institution described in Subsection (1) that is required to be insured by a  
822 federal deposit insurance agency, that the institution:

823 (i) will operate in a safe and sound manner;

824 (ii) has the following characteristics:

825 (A) the institution is not subject to automatic termination, dissolution, or suspension  
826 upon the happening of some event other than the passage of time;

827 (B) the exclusive authority to manage the institution is vested in a board of managers  
828 or directors that:

829 (I) is elected or appointed by the owners;

830 (II) is not required to have owners of the institution included on the board;

831 (III) possesses adequate independence and authority to supervise the operation of the  
832 institution; and

833 (IV) operates with substantially the same rights, powers, privileges, duties, and  
834 responsibilities as the board of directors of a corporation;

835 (C) neither state law, nor the institution's operating agreement, bylaws, or other  
836 organizational documents provide that an owner of the institution is liable for the debts,  
837 liabilities, and obligations of the institution in excess of the amount of the owner's investment;  
838 and

839 (D) (I) neither state law, nor the institution's operating agreement, bylaws, or other  
840 organizational documents require the consent of any other owner of the institution in order for  
841 any owner to transfer an ownership interest in the institution, including voting rights; and

842 (II) the institution is able to obtain new investment funding if needed to maintain  
843 adequate capital; and

844 (iii) is able to comply with all legal and regulatory requirements for an insured  
845 depository institution under applicable federal and state law; and

846 (b) for an institution described in Subsection (1) that is not required to be insured by a  
847 federal deposit insurance agency, that the institution will operate in a safe and sound manner.

848 (4) An institution described in Subsection (3)(a) that is organized as a limited liability  
849 company shall maintain the characteristics listed in Subsection (3)(a)(ii) during such time as it  
850 is authorized to conduct business under this title as a limited liability company.

851 (5) (a) All rights, privileges, powers, duties, and obligations of an institution described  
852 in Subsection (1) that is organized as a limited liability company and its members and  
853 managers shall be governed by Title 48, Chapter ~~[3]~~ 2c, Utah Revised ~~[Uniform]~~ Limited  
854 Liability Company Act, or Title 48, Chapter 3a, Utah Revised Uniform Limited Liability  
855 Company Act, as appropriate pursuant to Section 48-3a-1405 except:

856 (i) the following do not apply to an institution that is described in Subsection (3)(a):

857 ~~[(A) Section 48-3-110;]~~

858 ~~[(B) Section 48-3-112;]~~

859 ~~[(C) Section 48-3-201;]~~

860 ~~[(D) Section 48-3-401;]~~

861 ~~[(E) Subsections 48-3-407(1) and (3)(d);]~~

862 ~~[(F) Section 48-3-410;]~~

863 ~~[(G) Subsection 48-3-502(1)(c);]~~

864 ~~[(H) Title 48, Chapter 3, Part 6, Member's Dissociation;]~~

865 ~~[(I) Section 48-3-701; and]~~

866 ~~[(J) Title 48, Chapter 3, Part 8, Foreign Limited Liability Companies; and]~~

867 (A) Subsection 48-2c-402(2)(a)(ii);

868 (B) Section 48-2c-604;

869 (C) Section 48-2c-703;

870           (D) Section 48-2c-708;  
871           (E) Subsection 48-2c-801(2);  
872           (F) Section 48-2c-1102;  
873           (G) Section 48-2c-1104; and  
874           (H) Subsections 48-2c-1201(2) through (5);  
875           (ii) the following do not apply to an institution that is described in Subsection (3)(a):  
876           (A) Section 48-3a-111;  
877           (B) Section 48-3a-113;  
878           (C) Section 48-3a-201;  
879           (D) Section 48-3a-401;  
880           (E) Subsections 48-3a-407(1) and (3)(c);  
881           (F) Section 48-3a-410;  
882           (G) Subsection 48-3a-502(1)(c);  
883           (H) Title 48, Chapter 3a, Part 6, Dissociation;  
884           (I) Section 48-3a-701; and  
885           (J) Title 48, Chapter 3a, Part 9, Foreign Limited Liability Companies; and  
886           ~~(ii)~~ (iii) as otherwise provided in this title.  
887           (b) Notwithstanding Subsection (5)(a), for an institution that is described in Subsection  
888 (3)(a):  
889           (i) for purposes of transferring a member's interests in the institution, a member's  
890 interest in the institution shall be treated like a share of stock in a corporation; and  
891           (ii) if a member's interest in the institution is transferred voluntarily or involuntarily to  
892 another person, the person who receives the member's interest shall obtain the member's entire  
893 rights associated with the member's interest in the institution including:  
894           (A) all economic rights; and  
895           (B) all voting rights.  
896           (c) An institution described in Subsection (3)(a) may not by agreement or otherwise  
897 change the application of Subsection (5)(a) to the institution.

898 (6) Unless the context requires otherwise, for the purpose of applying this title to an  
899 institution described in Subsection (1) that is organized as a limited liability company:

900 (a) a citation to Title 16, Chapter 10a, Utah Revised Business Corporation Act,  
901 includes the equivalent citation to Title 48, Chapter ~~[3] 2c~~, Utah Revised ~~[Uniform]~~ Limited  
902 Liability Company Act, or Title 48, Chapter 3a, Utah Revised Uniform Limited Liability  
903 Company Act, as appropriate pursuant to Section 48-3a-1405;

904 (b) "articles of incorporation" includes a limited liability company's certificate of  
905 organization as that term is used in Section ~~[48-3-201]~~ 48-2c-403 or Section 48-3a-201, as  
906 appropriate pursuant to Section 48-3a-1405;

907 (c) "board of directors" includes one or more persons who have, with respect to an  
908 institution described in Subsection (1), authority substantially similar to that of a board of  
909 directors of a corporation;

910 (d) "bylaws" includes a limited liability company's operating agreement as that term is  
911 defined in Section ~~[48-3-102]~~ 48-2c-102 or Section 48-3a-201, as appropriate pursuant to  
912 Section 48-3a-1405;

913 (e) "corporation" includes a limited liability company organized under Title 48,  
914 Chapter ~~[3] 2c~~, Utah Revised ~~[Uniform]~~ Limited Liability Company Act, or Title 48, Chapter  
915 3a, Utah Revised Uniform Limited Liability Act, as appropriate pursuant to Section  
916 48-3a-1405;

917 (f) "director" includes any of the following of a limited liability company:

918 (i) a manager;

919 (ii) a director; or

920 (iii) other person who has with respect to the institution described in Subsection (1),  
921 authority substantially similar to that of a director of a corporation;

922 (g) "dividend" includes distributions made by a limited liability company under Title  
923 48, Chapter 2c, Part 10, Distributions, or Title 48, Chapter [3] 3a, Part 4, Relations of Members  
924 to Each Other and to Limited Liability Company, as appropriate pursuant to Section  
925 48-3a-1405;

926 (h) "incorporator" includes an organizer of a limited liability company as provided in  
927 Title 48, Chapter 2c, Part 4, Formation, or Title 48, Chapter [3] 3a, Part 2, Formation --  
928 Certificate of Organization and Other Filings, as appropriate pursuant to Section 48-3a-1405;

929 (i) "officer" includes any of the following of an institution described in Subsection (1):

930 (i) an officer; or

931 (ii) other person who has with respect to the institution described in Subsection (1)  
932 authority substantially similar to that of an officer of a corporation;

933 (j) "security," "shares," or "stock" of a corporation includes:

934 (i) a membership interest in a limited liability company as provided in Title 48,  
935 Chapter 2c, Part 7, Members, or Title 48, Chapter [3] 3a, Part 4, Relations of Members to Each  
936 Other and to Limited Liability Company, as appropriate pursuant to Section 48-3a-1405; and

937 (ii) a certificate or other evidence of an ownership interest in a limited liability  
938 company; and

939 (k) "stockholder" or "shareholder" includes an owner of an interest in an institution  
940 described in Subsection (1) including a member as provided in Title 48, Chapter 2c, Part 7,  
941 Members, or Title 48, Chapter [3] 3a, Part 4, Relations of Members to Each Other and to  
942 Limited Liability Company, as appropriate pursuant to Section 48-3a-1405.

943 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
944 commissioner shall make rules governing the form of a request for approval filed under this  
945 section.

946 (8) A depository institution organized under the laws of this state may not be organized  
947 as or converted to a series of transferable interests in a limited liability company as provided in  
948 Section 48-2c-606, or Title 48, Chapter [3] 3a, Part 12, Series Limited Liability Companies, as  
949 appropriate pursuant to Section 48-3a-1405.

950 Section 2. Section **7-3-10 (Effective 07/01/13)** is amended to read:

951 **7-3-10 (Effective 07/01/13). Organization -- Powers, rights, and privileges of**  
952 **banking corporation -- Other business activities.**

953 (1) A bank chartered under this chapter shall be:

954 (a) a domestic corporation under Title 16, Chapter 10a, Utah Revised Business  
955 Corporation Act; or

956 (b) subject to Section 7-1-810, including the requirement that the bank be an S  
957 Corporation immediately before becoming a limited liability company, a limited liability  
958 company created under Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or  
959 Title 48, Chapter [3] 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate  
960 pursuant to Section 48-3a-1405.

961 (2) A bank has all the rights, privileges, and powers necessary or incidental to carrying  
962 on the business of banking in addition to the powers granted:

963 (a) if the bank is a corporation, under Title 16, Chapter 10a, Utah Revised Business  
964 Corporation Act; or

965 (b) subject to Section 7-1-810, if the bank is a limited liability company, under Title  
966 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title 48, Chapter [3] 3a, Utah  
967 Revised Uniform Limited Liability Company Act, as appropriate pursuant to Section  
968 48-3a-1405.

969 (3) The commissioner may, by rule or order, determine that necessary or incidental  
970 rights, privileges, and powers include:

971 (a) the rights, privileges, and powers held by national banks; or

972 (b) other business activities so long as the commissioner's determination is not  
973 inconsistent with the rules, regulations, or other actions of the board of governors of the  
974 Federal Reserve System under Section 4(c)(8) of the Bank Holding Company Act of 1956, 12  
975 U.S.C. Sec. 1843(c)(8).

976 (4) The commissioner shall implement this section in a manner consistent with the  
977 purposes set forth in Section 7-1-102.

978 Section 3. Section **7-8-3 (Effective 07/01/13)** is amended to read:

979 **7-8-3 (Effective 07/01/13). Organization -- Authorization to conduct business --**  
980 **Deposit insurance.**

981 (1) Subject to Subsection (4), the commissioner may authorize a person described in

982 Subsection (2) to conduct business as an industrial bank.

983 (2) (a) Each person organized to conduct the business of an industrial bank in this state  
984 shall be organized under:

985 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act; or

986 (ii) in accordance with Section 7-1-810, Title 48, Chapter 2c, Utah Revised Limited  
987 Liability Company Act, or Title 48, Chapter [3] 3a, Utah Revised Uniform Limited Liability  
988 Company Act, as appropriate pursuant to Section 48-3a-1405.

989 (b) A person may not conduct business as an industrial bank authorized under this  
990 chapter to conduct business as an industrial bank in any form of entity other than those  
991 provided in Subsection (2)(a).

992 (3) (a) All rights, privileges, powers, duties, and obligations of a corporation  
993 authorized to conduct business as an industrial bank and its officers, directors, and stockholders  
994 shall be governed by Title 16, Chapter 10a, Utah Revised Business Corporation Act, except as  
995 otherwise provided in this title.

996 (b) All rights, privileges, powers, duties, and obligations of a limited liability company  
997 authorized to conduct business as an industrial bank and its members and managers shall be  
998 governed by Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title 48,  
999 Chapter [3] 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate pursuant  
1000 to Section 48-3a-1405, except as otherwise provided in this title.

1001 (4) (a) An industrial bank is authorized to receive and hold deposits.

1002 (b) An industrial bank may not conduct business under this chapter as an industrial  
1003 bank unless the industrial bank obtains insurance from the Federal Deposit Insurance  
1004 Corporation or a successor federal deposit insurance entity for any deposits received or held by  
1005 the industrial bank.

1006 Section 4. Section **13-34-114 (Effective 07/01/13)** is amended to read:

1007 **13-34-114 (Effective 07/01/13). Consent to use of educational terms in business**  
1008 **names.**

1009 (1) For purposes of this section:

- 1010 (a) "Business name" means a name filed with the Division of Corporations and  
1011 Commercial Code under:
- 1012 (i) Section 16-6a-401;
  - 1013 (ii) Section 16-10a-401;
  - 1014 (iii) Section 16-11-16;
  - 1015 (iv) Section 42-2-6.6;
  - 1016 (v) Section [~~48-2d-108~~] 48-2a-102 or 48-2e-108, as appropriate pursuant to Section  
1017 48-3a-1405; or
  - 1018 (vi) Section [~~48-3-108~~] 48-2c-106 or 48-3a-108, as appropriate pursuant to Section  
1019 48-3a-1405.
- 1020 (b) "Educational term" means the term:
- 1021 (i) "university";
  - 1022 (ii) "college"; or
  - 1023 (iii) "institute" or "institution."
- 1024 (2) If a statute listed in Subsection (1)(a) requires the written consent of the division to  
1025 file a business name with the Division of Corporations and Commercial Code that includes an  
1026 educational term, the division may consent to the use of an educational term in accordance with  
1027 this statute.
- 1028 (3) The division shall consent to the use of an educational term in a business name if  
1029 the person seeking to file the name:
- 1030 (a) is registered under this chapter;
  - 1031 (b) is exempt from the chapter under Section 13-34-105; or
  - 1032 (c) (i) is not engaged in educational activities; and  
1033 (ii) does not represent that it is engaged in educational activities.
- 1034 (4) The division may withhold consent to use of an educational term in a business  
1035 name if the person seeking to file the name:
- 1036 (a) offers, sells, or awards a degree or any other type of educational credential; and  
1037 (b) fails to provide bona fide instruction through student-faculty interaction according

1038 to the standards and criteria established by the division under Subsection 13-34-104(5).

1039 Section 5. Section **16-6a-1008.7 (Effective 07/01/13)** is amended to read:

1040 **16-6a-1008.7 (Effective 07/01/13). Conversion to or from a domestic limited**  
1041 **liability company.**

1042 (1) (a) A domestic nonprofit corporation may convert to a domestic limited liability  
1043 company subject to Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title  
1044 48, Chapter [3] 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate  
1045 pursuant to Section 48-3a-1405, by complying with:

1046 (i) this Subsection (1); and

1047 (ii) Section [~~48-3-1006~~] 48-2c-1401 or 48-3a-1041.

1048 (b) If a domestic nonprofit corporation converts to a domestic limited liability company  
1049 in accordance with this Subsection (1), the articles of conversion or statement of conversion, as  
1050 applicable, shall:

1051 (i) comply with Section [~~48-3-1008~~] 48-2c-1402 or Sections 48-3a-1042 and  
1052 48-3a-1045; and

1053 (ii) if the corporation has any members, provide for:

1054 (A) the cancellation of any membership; or

1055 (B) the conversion of any membership in the domestic nonprofit corporation to a  
1056 membership interest in the domestic limited liability company.

1057 (c) Before articles of conversion or statement of conversion may be filed with the  
1058 division, the conversion shall be approved:

1059 (i) in the manner provided for the articles of incorporation or bylaws of the domestic  
1060 nonprofit corporation; or

1061 (ii) if the articles of incorporation or bylaws of the domestic nonprofit corporation do  
1062 not provide the method for approval:

1063 (A) if the domestic nonprofit corporation has voting members, by all of the members of  
1064 the domestic nonprofit corporation regardless of limitations or restrictions on the voting rights  
1065 of the members; or

1066 (B) if the nonprofit domestic corporation does not have voting members, by a majority  
1067 of:

1068 (I) the directors in office at the time the conversion is approved by the board of  
1069 directors; or

1070 (II) if directors have not been appointed or elected, the incorporators.

1071 (2) A domestic limited liability company may convert to a domestic nonprofit  
1072 corporation subject to this chapter by:

1073 (a) filing articles of incorporation in accordance with this chapter; and

1074 (b) complying with Section [~~48-3-1006~~] 48-2c-1406 or 48-3a-1041, as appropriate  
1075 pursuant to Section 48-3a-1405.

1076 (3) Any conversion under this section may not result in a violation, directly or  
1077 indirectly, of:

1078 (a) Section 16-6a-1301; or

1079 (b) any other provision of this chapter.

1080 Section 6. Section **16-10a-1008.7 (Effective 07/01/13)** is amended to read:

1081 **16-10a-1008.7 (Effective 07/01/13). Conversion to or from a domestic limited**  
1082 **liability company.**

1083 (1) (a) A corporation may convert to a domestic limited liability company subject to  
1084 Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title 48, Chapter [3] 3a,  
1085 Utah Revised Uniform Limited Liability Company Act, as appropriate pursuant to Section  
1086 48-3a-1405 by complying with:

1087 (i) this Subsection (1); and

1088 (ii) Section [~~48-3-1006~~] 48-2c-1401 or 48-3a-1041.

1089 (b) If a corporation converts to a domestic limited liability company in accordance with  
1090 this Subsection (1), the articles of conversion shall:

1091 (i) comply with Section [~~48-3-1008~~] 48-2c-1402 or Sections 48-3a-1045 and  
1092 48-3a-1046; and

1093 (ii) if the corporation has issued shares, provide for:

1094 (A) the cancellation of any issued share; or  
1095 (B) the conversion of any issued share to a membership interest in the domestic limited  
1096 liability company.  
1097 (c) Before articles of conversion [~~may be filed with the division~~], in accordance with  
1098 Section 48-2c-1404, or a statement of conversion, in accordance with Section 48-3a-1045, may  
1099 be filed with the division, the conversion shall be approved:  
1100 (i) in the manner provided for the articles of incorporation or bylaws of the  
1101 corporation; or  
1102 (ii) if the articles of incorporation or bylaws of the corporation do not provide the  
1103 method for approval:  
1104 (A) if the corporation has issued shares, by all of the outstanding shares of all classes  
1105 of shares of the corporation regardless of limitations or restrictions on the voting rights of the  
1106 shares; or  
1107 (B) if the corporation has not issued shares, by a majority of:  
1108 (I) the directors in office at the time that the conversion is approved by the board of  
1109 directors; or  
1110 (II) if directors have not been appointed or elected, the incorporators.  
1111 (2) A domestic limited liability company may convert to a corporation subject to this  
1112 chapter by:  
1113 (a) filing articles of incorporation in accordance with this chapter; and  
1114 (b) complying with Section [~~48-3-1006~~] 48-2c-1401 or 48-3a-1041, as appropriate  
1115 pursuant to Section 48-3a-1405.  
1116 Section 7. Section **16-16-111 (Effective 07/01/13)** is amended to read:  
1117 **16-16-111 (Effective 07/01/13). Name.**  
1118 (1) Use of the term "cooperative" or its abbreviation under this chapter is not a  
1119 violation of the provisions restricting the use of the term under any other law of this state.  
1120 (2) (a) Notwithstanding Section [~~48-2d-108~~] 48-2a-102 or 48-2e-108, as appropriate  
1121 pursuant to Section 48-2e-1205, the name of a limited cooperative association shall contain:

1122 (i) the words "limited cooperative association" or "limited cooperative"; or  
1123 (ii) the abbreviation "L.C.A." or "LCA".  
1124 (b) "Cooperative" may be abbreviated as "Co-op" or "Coop".  
1125 (c) "Association" may be abbreviated as "Assoc." or "Assn."[:]  
1126 (d) "Limited" may be abbreviated as "Ltd."  
1127 [~~(d)~~] (e) (i) Use of the term "cooperative" or its abbreviation as permitted by this  
1128 chapter is not a violation of the provisions restricting the use of the term under any other law of  
1129 this state.

1130 (ii) A limited cooperative association or a member may enforce the restrictions on the  
1131 use of the term "cooperative" under this chapter and any other law of this state.

1132 (iii) A limited cooperative association or a member may enforce the restrictions on the  
1133 use of the term "cooperative" under any other law of this state.

1134 (3) Except as otherwise provided in Subsection (4), a limited cooperative association  
1135 may use only a name that is available. A name is available if it is distinguishable in the records  
1136 of the division from:

1137 (a) the name of any entity organized or authorized to transact business in this state;

1138 (b) a name reserved under Section 16-16-112; and

1139 (c) an alternative name approved for a foreign cooperative authorized to transact  
1140 business in this state.

1141 (4) A limited cooperative association may apply to the division for authorization to use  
1142 a name that is not available. The division shall authorize use of the name if:

1143 (a) the person with ownership rights to use the name consents in a record to the use and  
1144 applies in a form satisfactory to the division to change the name used or reserved to a name that  
1145 is distinguishable upon the records of the division from the name applied for; or

1146 (b) the applicant delivers to the division a certified copy of the final judgment of a  
1147 court establishing the applicant's right to use the name in this state.

1148 Section 8. Section **16-17-102 (Effective 07/01/13)** is amended to read:

1149 **16-17-102 (Effective 07/01/13). Definitions.**

1150 In this chapter:

1151 (1) "Appointment of agent" means a statement appointing an agent for service of  
1152 process filed by:

1153 (a) a domestic or foreign unincorporated nonprofit association under Section  
1154 16-17-204; or

1155 (b) a domestic entity that is not a filing entity or a nonqualified foreign entity under  
1156 Section 16-17-210.

1157 (2) "Commercial registered agent" means an individual or a domestic or foreign entity  
1158 listed under Section 16-17-204.

1159 (3) "Division" means the Division of Corporations and Commercial Code.

1160 (4) "Domestic entity" means an entity whose internal affairs are governed by the law of  
1161 this state.

1162 (5) "Entity" means a person that has a separate legal existence or has the power to  
1163 acquire an interest in real property in its own name other than:

1164 (a) an individual;

1165 (b) a testamentary, inter vivos, or charitable trust, with the exception of a business  
1166 trust, statutory trust, or similar trust;

1167 (c) an association or relationship that is not a partnership by reason of Section 202(c)  
1168 of the Uniform Partnership Act (1997), or Subsection [~~48-1a-303(3)] 48-1d-202(3), as~~  
1169 appropriate pursuant to Section 48-1d-1405, or a similar provision of the law of any other  
1170 jurisdiction;

1171 (d) a decedent's estate; or

1172 (e) a public corporation, government or governmental subdivision, agency, or  
1173 instrumentality, or quasi-governmental instrumentality.

1174 (6) "Filing entity" means an entity that is created by the filing of a public organic  
1175 document.

1176 (7) "Foreign entity" means an entity other than a domestic entity.

1177 (8) "Foreign qualification document" means an application for a certificate of authority

1178 or other foreign qualification filing with the division by a foreign entity.

1179 (9) "Governance interest" means the right under the organic law or organic rules of an  
1180 entity, other than as a governor, agent, assignee, or proxy, to:

1181 (a) receive or demand access to information concerning, or the books and records of,  
1182 the entity;

1183 (b) vote for the election of the governors of the entity; or

1184 (c) receive notice of or vote on any or all issues involving the internal affairs of the  
1185 entity.

1186 (10) "Governor" means a person by or under whose authority the powers of an entity  
1187 are exercised and under whose direction the business and affairs of the entity are managed  
1188 pursuant to the organic law and organic rules of the entity.

1189 (11) "Interest" means:

1190 (a) a governance interest in an unincorporated entity;

1191 (b) a transferable interest in an unincorporated entity; or

1192 (c) a share or membership in a corporation.

1193 (12) "Interest holder" means a direct holder of an interest.

1194 (13) "Jurisdiction of organization," with respect to an entity, means the jurisdiction  
1195 whose law includes the organic law of the entity.

1196 (14) "Noncommercial registered agent" means a person that is not listed as a  
1197 commercial registered agent under Section 16-17-204 and that is:

1198 (a) an individual or a domestic or foreign entity that serves in this state as the agent for  
1199 service of process of an entity; or

1200 (b) the individual who holds the office or other position in an entity that is designated  
1201 as the agent for service of process pursuant to Subsection 16-17-203(1)(b)(ii).

1202 (15) "Nonqualified foreign entity" means a foreign entity that is not authorized to  
1203 transact business in this state pursuant to a filing with the division.

1204 (16) "Nonresident LLP statement" means:

1205 (a) a statement of qualification of a domestic limited liability partnership that does not

1206 have an office in this state; or

1207 (b) a statement of foreign qualification of a foreign limited liability partnership that  
1208 does not have an office in this state.

1209 (17) "Organic law" means the statutes, if any, other than this chapter, governing the  
1210 internal affairs of an entity.

1211 (18) "Organic rules" means the public organic document and private organic rules of an  
1212 entity.

1213 (19) "Person" means an individual, corporation, estate, trust, partnership, limited  
1214 liability company, business or similar trust, association, joint venture, public corporation,  
1215 government or governmental subdivision, agency, or instrumentality, or any other legal or  
1216 commercial entity.

1217 (20) "Private organic rules" mean the rules, whether or not in a record, that govern the  
1218 internal affairs of an entity, are binding on all of its interest holders, and are not part of its  
1219 public organic document, if any.

1220 (21) "Public organic document" means the public record the filing of which creates an  
1221 entity, and any amendment to or restatement of that record.

1222 (22) "Qualified foreign entity" means a foreign entity that is authorized to transact  
1223 business in this state pursuant to a filing with the division.

1224 (23) "Record" means information that is inscribed on a tangible medium or that is  
1225 stored in an electronic or other medium and is retrievable in perceivable form.

1226 (24) "Registered agent" means a commercial registered agent or a noncommercial  
1227 registered agent.

1228 (25) "Registered agent filing" means:

1229 (a) the public organic document of a domestic filing entity;

1230 (b) a nonresident LLP statement;

1231 (c) a foreign qualification document; or

1232 (d) an appointment of agent.

1233 (26) "Represented entity" means:

- 1234 (a) a domestic filing entity;
- 1235 (b) a domestic or qualified foreign limited liability partnership that does not have an
- 1236 office in this state;
- 1237 (c) a qualified foreign entity;
- 1238 (d) a domestic or foreign unincorporated nonprofit association for which an
- 1239 appointment of agent has been filed;
- 1240 (e) a domestic entity that is not a filing entity for which an appointment of agent has
- 1241 been filed; or
- 1242 (f) a nonqualified foreign entity for which an appointment of agent has been filed.
- 1243 (27) "Sign" means, with present intent to authenticate or adopt a record:
- 1244 (a) to execute or adopt a tangible symbol; or
- 1245 (b) to attach to or logically associate with the record an electronic sound, symbol, or
- 1246 process.
- 1247 (28) "Transferable interest" means the right under an entity's organic law to receive
- 1248 distributions from the entity.
- 1249 (29) "Type," with respect to an entity, means a generic form of entity:
- 1250 (a) recognized at common law; or
- 1251 (b) organized under an organic law, whether or not some entities organized under that
- 1252 organic law are subject to provisions of that law that create different categories of the form of
- 1253 entity.
- 1254 Section 9. Section **31A-37a-102 (Effective 07/01/13)** is amended to read:
- 1255 **31A-37a-102 (Effective 07/01/13). Definitions.**
- 1256 (1) For purposes of this chapter:
- 1257 (a) "Ceding insurer" means an insurer that:
- 1258 (i) is approved by the commissioner;
- 1259 (ii) is licensed or otherwise authorized to transact the business of insurance or
- 1260 reinsurance in the insurer's state or country of domicile; and
- 1261 (iii) cedes risk to a special purpose financial captive insurance company pursuant to a

1262 reinsurance contract.

1263 (b) Notwithstanding Section 31A-27a-102, "insolvency" or "insolvent" for purposes of  
1264 applying Chapter 27a, Insurer Receivership Act, to a special purpose financial captive  
1265 insurance company, means that a special purpose financial captive insurance company:

1266 (i) is unable to pay an obligation when the obligation is due, unless the obligation is the  
1267 subject of a bona fide dispute; or

1268 (ii) fails to meet the criteria and conditions for solvency of the special purpose financial  
1269 captive insurance company established by the commissioner by rule or order.

1270 (c) (i) "Insurance securitization" means a transaction or a group of related transactions:

1271 (A) that may include a capital market offering;

1272 (B) that is effected through one or more related risk transfer instruments and  
1273 facilitating administrative agreements;

1274 (C) where all or part of the result of the transaction or group of related transactions is  
1275 used to fund the special purpose financial captive insurance company's obligations under a  
1276 reinsurance contract with a ceding insurer;

1277 (D) by which:

1278 (I) proceeds are obtained by a special purpose financial captive insurance company,  
1279 directly or indirectly, through the issuance of one or more securities by the special purpose  
1280 financial captive insurance company or another person; or

1281 (II) a person provides one or more letters of credit or other assets for the benefit of the  
1282 special purpose financial captive insurance company if the commissioner authorizes the special  
1283 purpose financial captive insurance company to treat the letter of credit or asset as an admitted  
1284 asset for purposes of the special purpose financial captive insurance company's annual report;  
1285 and

1286 (E) if all or a part of the proceeds, a letter of credit, or asset described in this  
1287 Subsection (1)(c) is used to fund the special purpose financial captive insurance company's  
1288 obligations under a reinsurance contract with a ceding insurer.

1289 (ii) "Insurance securitization" does not include the issuance of a letter of credit for the

1290 benefit of the commissioner to satisfy all or part of the special purpose financial captive  
1291 insurance company's capital and surplus requirements under Section 31A-37a-302.

1292 (d) "Management" means:

1293 (i) a board of directors of a special purpose financial captive insurance company;

1294 (ii) a managing board of a special purpose financial captive insurance company; or

1295 (iii) one or more individuals with the overall responsibility for the management of the  
1296 affairs of the special purpose financial captive insurance company, including:

1297 (A) an officer elected or appointed to act on behalf of the special purpose financial  
1298 captive insurance company; or

1299 (B) an agent elected or appointed to act on behalf of the special purpose financial  
1300 captive insurance company.

1301 (e) "Organizational document" means:

1302 (i) in the case of a special purpose financial captive insurance company formed as a  
1303 stock corporation, the special purpose financial captive insurance company's:

1304 (A) articles of incorporation; and

1305 (B) bylaws; and

1306 (ii) in the case of a special purpose financial captive insurance company formed as a  
1307 limited liability company, the special purpose financial captive insurance company's:

1308 (A) articles of organization or certificate of organization; and

1309 (B) operating agreement.

1310 (f) "Reinsurance contract" means a contract between a special purpose financial captive  
1311 insurance company and a ceding insurer pursuant to which the special purpose financial captive  
1312 insurance company agrees to provide reinsurance to the ceding insurer for risks associated with  
1313 the ceding insurer's insurance or reinsurance business.

1314 (g) "Security" means:

1315 (i) a security as defined in Section 31A-1-301; or

1316 (ii) one or more of the following that the commissioner designates, by rule or order, as  
1317 a "security" for purposes of this chapter:

1318 (A) a debt obligation;

1319 (B) equity;

1320 (C) a surplus certificate;

1321 (D) a surplus note;

1322 (E) a funding agreement;

1323 (F) a derivative; or

1324 (G) another financial instrument.

1325 (h) "Special purpose financial captive insurance company" means a captive insurance  
1326 company has a certificate of authority under this chapter from the commissioner to operate as a  
1327 special purpose financial captive insurance company pursuant to this chapter.

1328 (i) "Special purpose financial captive insurance company security" means:

1329 (i) a security issued by a special purpose financial captive insurance company; or

1330 (ii) a security issued by a third party, the proceeds of which are obtained directly or  
1331 indirectly by a special purpose financial captive insurance company.

1332 (j) "Surplus note" means an unsecured subordinated debt obligation that has one or  
1333 more characteristics that are consistent with paragraph 3 of the National Association of  
1334 Insurance Commissioners Statement of Statutory Accounting Principals No. 41, as amended  
1335 from time to time and as modified or supplemented by rule or order of the commissioner.

1336 (2) The terms defined in Section 31A-37-102 shall have the same meaning for  
1337 purposes of this chapter.

1338 Section 10. Section **46-4-503 (Effective 07/01/13)** is amended to read:

1339 **46-4-503 (Effective 07/01/13). Government products and services provided**  
1340 **electronically.**

1341 (1) Notwithstanding Section 46-4-501, a state governmental agency that administers  
1342 one or more of the following transactions shall allow those transactions to be conducted  
1343 electronically:

1344 (a) an application for or renewal of a professional or occupational license issued under  
1345 Title 58, Occupations and Professions;

- 1346 (b) the renewal of a drivers license;
- 1347 (c) an application for a hunting or fishing license;
- 1348 (d) the filing of:
- 1349 (i) a return under Title 59, Chapter 10, Individual Income Tax Act or 12, Sales and Use
- 1350 Tax Act;
- 1351 (ii) a court document, as defined by the Judicial Council; or
- 1352 (iii) a document under Title 70A, Uniform Commercial Code;
- 1353 (e) a registration for:
- 1354 (i) a product; or
- 1355 (ii) a brand;
- 1356 (f) a renewal of a registration of a motor vehicle;
- 1357 (g) a registration under:
- 1358 (i) Title 16, Corporations;
- 1359 (ii) Title 42, Names; or
- 1360 (iii) on or before December 31, 2013, Title 48, Partnership, and on and after January 1,
- 1361 2014, Title 48, Unincorporated Business [Entities] Entity Act; or
- 1362 (h) submission of an application for benefits:
- 1363 (i) under Title 35A, Chapter 3, Employment Support Act;
- 1364 (ii) under Title 35A, Chapter 4, Employment Security Act; or
- 1365 (iii) related to accident and health insurance.
- 1366 (2) The state system of public education, in coordination with the Utah Education
- 1367 Network, shall make reasonable progress toward making the following services available
- 1368 electronically:
- 1369 (a) secure access by parents and students to student grades and progress reports;
- 1370 (b) email communications with:
- 1371 (i) teachers;
- 1372 (ii) parent-teacher associations; and
- 1373 (iii) school administrators;

- 1374 (c) access to school calendars and schedules; and
- 1375 (d) teaching resources that may include:
- 1376 (i) teaching plans;
- 1377 (ii) curriculum guides; and
- 1378 (iii) media resources.
- 1379 (3) A state governmental agency shall:
- 1380 (a) in carrying out the requirements of this section, take reasonable steps to ensure the
- 1381 security and privacy of records that are private or controlled as defined by Title 63G, Chapter 2,
- 1382 Government Records Access and Management Act;
- 1383 (b) in addition to those transactions listed in Subsections (1) and (2), determine any
- 1384 additional services that may be made available to the public through electronic means; and
- 1385 (c) as part of the agency's information technology plan required by Section 63F-1-204,
- 1386 report on the progress of compliance with Subsections (1) through (3).
- 1387 (4) Notwithstanding the other provisions of this part, a state governmental agency is
- 1388 not required by this part to conduct a transaction electronically if:
- 1389 (a) conducting the transaction electronically is not required by federal law; and
- 1390 (b) conducting the transaction electronically is:
- 1391 (i) impractical;
- 1392 (ii) unreasonable; or
- 1393 (iii) not permitted by laws pertaining to privacy or security.
- 1394 (5) (a) For purposes of this Subsection (5), "one-stop shop" means the consolidation of
- 1395 access to diverse services and agencies at one location including virtual colocation.
- 1396 (b) State agencies that provide services or offer direct assistance to the business
- 1397 community shall participate in the establishment, maintenance, and enhancement of an
- 1398 integrated Utah business web portal known as Business.utah.gov. The purpose of the business
- 1399 web portal is to provide "one-stop shop" assistance to businesses.
- 1400 (c) State agencies shall partner with other governmental and nonprofit agencies whose
- 1401 primary mission is to provide services or offer direct assistance to the business community in

1402 Utah in fulfilling the requirements of this section.

1403 (d) The following state entities shall comply with the provisions of this Subsection (5):

1404 (i) Governor's Office of Economic Development, which shall serve as the managing  
1405 partner for the website;

1406 (ii) Department of Workforce Services;

1407 (iii) Department of Commerce;

1408 (iv) Tax Commission;

1409 (v) Department of Administrative Services - Division of Purchasing and General

1410 Services, including other state agencies operating under a grant of authority from the division

1411 to procure goods and services in excess of \$5,000;

1412 (vi) Department of Agriculture;

1413 (vii) Department of Natural Resources; and

1414 (viii) other state agencies that provide services or offer direct assistance to the business  
1415 sector.

1416 (e) The business services available on the business web portal may include:

1417 (i) business life cycle information;

1418 (ii) business searches;

1419 (iii) employment needs and opportunities;

1420 (iv) motor vehicle registration;

1421 (v) permit applications and renewal;

1422 (vi) tax information;

1423 (vii) government procurement bid notifications;

1424 (viii) general business information;

1425 (ix) business directories; and

1426 (x) business news.

1427 Section 11. Section **48-1-.5** is enacted to read:

1428 **48-1-.5. Scope of chapter.**

1429 Until this chapter is repealed January 1, 2016, this chapter applies only to a partnership

1430 formed on or before December 31, 2013, that has not elected to be governed by Chapter 1d,  
1431 Utah Uniform Partnership Act, as provided in Section 48-1d-1405.

1432 Section 12. Section **48-1c-101** is enacted to read:

1433 **CHAPTER 1c. GENERAL PROVISIONS**

1434 **48-1c-101. Title.**

1435 (1) This title is known as the "Unincorporated Business Entity Act."

1436 (2) This chapter is known as "General Provisions."

1437 Section 13. Section **48-1d-101** is enacted to read:

1438 **CHAPTER 1d. UTAH UNIFORM PARTNERSHIP ACT**

1439 **Part 1. General Provisions**

1440 **48-1d-101. Title.**

1441 This chapter may be cited as the "Utah Uniform Partnership Act."

1442 Section 14. Section **48-1d-102** is enacted to read:

1443 **48-1d-102. Definitions.**

1444 As used in this chapter:

1445 (1) "Business" includes every trade, occupation, and profession.

1446 (2) "Contribution," except in the phrase "right of contribution," means property or a  
1447 benefit described in Section 48-1d-501 which is provided by a person to a partnership to  
1448 become a partner or in the person's capacity as a partner.

1449 (3) "Debtor in bankruptcy" means a person that is the subject of:

1450 (a) an order for relief under Title 11 of the United States Code or a comparable order  
1451 under a successor statute of general application; or

1452 (b) a comparable order under federal, state, or foreign law governing insolvency.

1453 (4) "Distribution" means a transfer of money or other property from a partnership to a  
1454 person on account of a transferable interest or in a person's capacity as a partner. The term:

1455 (a) includes:

1456 (i) a redemption or other purchase by a partnership of a transferable interest; and

1457 (ii) a transfer to a partner in return for the partner's relinquishment of any right to

1458 participate as a partner in the management or conduct of the partnership's activities and affairs  
1459 or have access to records or other information concerning the partnership's activities and  
1460 affairs; and

1461 (b) does not include amounts constituting reasonable compensation for present or past  
1462 service or payments made in the ordinary course of business under a bona fide retirement plan  
1463 or other bona fide benefits program.

1464 (5) "Division" means the Division of Corporations and Commercial Code.

1465 (6) "Foreign limited liability partnership" means a foreign partnership whose partners  
1466 have limited liability for the debts, obligations, or other liabilities of the foreign partnership  
1467 under a provision similar to Subsection 48-1d-306(3).

1468 (7) "Foreign partnership" means an unincorporated entity formed under the law of a  
1469 jurisdiction other than this state which would be a partnership if formed under the law of this  
1470 state. The term includes a foreign limited liability partnership.

1471 (8) "Jurisdiction," used to refer to a political entity, means the United States, a state, a  
1472 foreign country, or a political subdivision of a foreign country.

1473 (9) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:

1474 (a) under whose law the entity is formed; or

1475 (b) in the case of a limited liability partnership or foreign limited liability partnership,  
1476 in which the partnership's statement of qualification is filed.

1477 (10) "Limited liability partnership," except in the phrase "foreign limited liability  
1478 partnership," means a partnership that has filed a statement of qualification under Section  
1479 48-1d-1101 and does not have a similar statement in effect in any other jurisdiction.

1480 (11) "Partner" means a person that:

1481 (a) has become a partner in a partnership under Section 48-1d-401 or was a partner in a  
1482 partnership when the partnership became subject to this chapter under Section 48-1d-1405; and

1483 (b) has not dissociated as a partner under Section 48-1d-701.

1484 (12) "Partnership" means an association of two or more persons to carry on as  
1485 co-owners a business for profit formed under this chapter or that becomes subject to this

1486 chapter under Part 10, Merger, Interest Exchange, Conversion, and Domestication, or Section  
1487 48-1d-1405. The term includes a limited liability partnership.

1488 (13) "Partnership agreement" means the agreement, whether or not referred to as a  
1489 partnership agreement, and whether oral, implied, in a record, or in any combination thereof, of  
1490 all the partners of a partnership concerning the matters described in Subsection 48-1d-106(1).  
1491 The term includes the agreement as amended or restated.

1492 (14) "Partnership at will" means a partnership in which the partners have not agreed to  
1493 remain partners until the expiration of a definite term or the completion of a particular  
1494 undertaking.

1495 (15) "Person" means an individual, business corporation, nonprofit corporation,  
1496 partnership, limited partnership, limited liability company, limited cooperative association,  
1497 unincorporated nonprofit association, statutory trust, business trust, common-law business  
1498 trust, estate, trust, association, joint venture, public corporation, government or governmental  
1499 subdivision, agency, or instrumentality, or any other legal or commercial entity.

1500 (16) "Principal office" means the principal executive office of a partnership or a  
1501 foreign limited liability partnership, whether or not the office is located in this state.

1502 (17) "Professional services" means a personal service provided by:

1503 (a) a public accountant holding a license under Title 58, Chapter 26a, Certified Public  
1504 Accountant Licensing Act, or a subsequent law regulating the practice of public accounting;

1505 (b) an architect holding a license under Title 58, Chapter 3a, Architects Licensing Act,  
1506 or a subsequent law regulating the practice of architecture;

1507 (c) an attorney granted the authority to practice law by the:

1508 (i) Utah Supreme Court; or

1509 (ii) one or more of the following that licenses or regulates the authority to practice law  
1510 in a state or territory of the United States other than Utah:

1511 (A) a supreme court;

1512 (B) a court other than a supreme court;

1513 (C) an agency;

- 1514            (D) an instrumentality; or
- 1515            (E) a regulating board;
- 1516            (d) a chiropractor holding a license under Title 58, Chapter 73, Chiropractic Physician  
1517 Practice Act, or a subsequent law regulating the practice of chiropractics;
- 1518            (e) a doctor of dentistry holding a license under Title 58, Chapter 69, Dentist and  
1519 Dental Hygienist Practice Act, or a subsequent law regulating the practice of dentistry;
- 1520            (f) a professional engineer registered under Title 58, Chapter 22, Professional  
1521 Engineers and Professional Land Surveyors Licensing Act, or a subsequent law regulating the  
1522 practice of engineers or land surveyors;
- 1523            (g) a naturopath holding a license under Title 58, Chapter 71, Naturopathic Physician  
1524 Practice Act, or a subsequent law regulating the practice of naturopathy;
- 1525            (h) a nurse licensed under Title 58, Chapter 31b, Nurse Practice Act, or Chapter 44a,  
1526 Nurse Midwife Practice Act, or a subsequent law regulating the practice of nursing;
- 1527            (i) an optometrist holding a license under Title 58, Chapter 16a, Utah Optometry  
1528 Practice Act, or a subsequent law regulating the practice of optometry;
- 1529            (j) an osteopathic physician or surgeon holding a license under Title 58, Chapter 68,  
1530 Utah Osteopathic Medical Practice Act, or a subsequent law regulating the practice of  
1531 osteopathy;
- 1532            (k) a pharmacist holding a license under Title 58, Chapter 17b, Pharmacy Practice Act,  
1533 or a subsequent law regulating the practice of pharmacy;
- 1534            (l) a physician, surgeon, or doctor of medicine holding a license under Title 58,  
1535 Chapter 67, Utah Medical Practice Act, or a subsequent law regulating the practice of  
1536 medicine;
- 1537            (m) a physical therapist holding a license under Title 58, Chapter 24b, Physical  
1538 Therapy Practice Act, or a subsequent law regulating the practice of physical therapy;
- 1539            (n) a podiatric physician holding a license under Title 58, Chapter 5a, Podiatric  
1540 Physician Licensing Act, or a subsequent law regulating the practice of podiatry;
- 1541            (o) a psychologist holding a license under Title 58, Chapter 61, Psychologist Licensing

1542 Act, or a subsequent law regulating the practice of psychology;

1543 (p) a principal broker, associate broker, or sales agent holding a license under Title 61,  
1544 Chapter 2f, Real Estate Licensing and Practices Act, or a subsequent law regulating the sale,  
1545 exchange, purchase, rental, or leasing of real estate;

1546 (q) a clinical or certified social worker holding a license under Title 58, Chapter 60,  
1547 Part 2, Social Worker Licensing Act, or a subsequent law regulating the practice of social  
1548 work;

1549 (r) a mental health therapist holding a license under Title 58, Chapter 60, Mental  
1550 Health Professional Practice Act, or a subsequent law regulating the practice of mental health  
1551 therapy;

1552 (s) a veterinarian holding a license under Title 58, Chapter 28, Veterinary Practice Act,  
1553 or a subsequent law regulating the practice of veterinary medicine; or

1554 (t) an individual licensed, certified, or registered under Title 61, Chapter 2g, Real  
1555 Estate Appraiser Licensing and Certification Act, or a subsequent law regulating the practice of  
1556 appraising real estate.

1557 (18) "Property" means all property, whether real, personal, or mixed, or tangible or  
1558 intangible, or any right or interest therein.

1559 (19) "Record," used as a noun, means information that is inscribed on a tangible  
1560 medium or that is stored in an electronic or other medium and is retrievable in perceivable  
1561 form.

1562 (20) "Registered agent" means an agent of a limited liability partnership or foreign  
1563 limited liability partnership which is authorized to receive service of any process, notice, or  
1564 demand required or permitted by law to be served on the partnership.

1565 (21) "Registered foreign limited liability partnership" means a foreign limited liability  
1566 partnership that is registered to do business in this state pursuant to a statement of registration  
1567 filed by the division.

1568 (22) "Sign" means, with present intent to authenticate or adopt a record:

1569 (a) to execute or adopt a tangible symbol; or

1570 (b) to attach to or logically associate with the record an electronic symbol, sound, or  
1571 process.

1572 (23) "State" means a state of the United States, the District of Columbia, Puerto Rico,  
1573 the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction  
1574 of the United States.

1575 (24) "Transfer" includes:

1576 (a) an assignment;

1577 (b) a conveyance;

1578 (c) a sale;

1579 (d) a lease;

1580 (e) an encumbrance, including a mortgage or security interest;

1581 (f) a gift; and

1582 (g) a transfer by operation of law.

1583 (25) "Transferable interest" means the right, as initially owned by a person in the  
1584 person's capacity as a partner, to receive distributions from a partnership in accordance with the  
1585 partnership agreement, whether or not the person remains a partner or continues to own any  
1586 part of the right. The term applies to any fraction of the interest, by whomever owned.

1587 (26) "Transferee" means a person to which all or part of a transferable interest has been  
1588 transferred, whether or not the transferor is a partner.

1589 (27) "Tribal partnership" means a partnership:

1590 (a) formed under the law of a tribe; and

1591 (b) that is at least 51% owned or controlled by the tribe under whose law the  
1592 partnership is formed.

1593 (28) "Tribe" means a tribe, band, nation, pueblo, or other organized group or  
1594 community of Indians, including an Alaska Native village, that is legally recognized as eligible  
1595 for and is consistent with a special program, service, or entitlement provided by the United  
1596 States to Indians because of their status as Indians.

1597 Section 15. Section **48-1d-103** is enacted to read:

- 1598           **48-1d-103. Knowledge -- Notice.**
- 1599           (1) A person knows a fact if the person:
- 1600           (a) has actual knowledge of it; or
- 1601           (b) is deemed to know it under Subsection (4)(a) or law other than this chapter.
- 1602           (2) A person has notice of a fact if the person:
- 1603           (a) has reason to know the fact from all the facts known to the person at the time in
- 1604 question; or
- 1605           (b) is deemed to have notice of the fact under Subsection (4)(b).
- 1606           (3) Subject to Subsection 48-1d-116(6), a person notifies another person of a fact by
- 1607 taking steps reasonably required to inform the other person in ordinary course, whether or not
- 1608 those steps cause the other person to know the fact.
- 1609           (4) A person not a partner is deemed:
- 1610           (a) to know of a limitation on authority to transfer real property as provided in
- 1611 Subsection 48-1d-303(7); and
- 1612           (b) to have notice of:
- 1613           (i) a partner's dissociation 90 days after a statement of dissociation under Section
- 1614 48-1d-804 becomes effective; and
- 1615           (ii) a partnership's:
- 1616           (A) dissolution 90 days after a statement of dissolution under Subsection
- 1617 48-1d-902(2)(b)(i) becomes effective;
- 1618           (B) termination 90 days after a statement of termination under Subsection
- 1619 48-1d-902(2)(b)(vi) becomes effective;
- 1620           (C) participation in a merger, interest exchange, conversion, or domestication 90 days
- 1621 after a statement of merger, interest exchange, conversion, or domestication under Part 10,
- 1622 Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and
- 1623           (D) abandonment of a merger, interest exchange, conversion, or domestication 90 days
- 1624 after a statement of abandonment of merger, interest exchange, conversion, or domestication
- 1625 under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.

1626           (5) A partner's knowledge or notice of a fact relating to the partnership is effective  
1627 immediately as knowledge of or notice to the partnership, except in the case of a fraud on the  
1628 partnership committed by or with the consent of that partner.

1629           Section 16. Section **48-1d-104** is enacted to read:

1630           **48-1d-104. Governing law.**

1631           The internal affairs of a partnership and the liability of a partner as a partner for the  
1632 debts, obligations, or other liabilities of the partnership are governed by:

1633           (1) in the case of a limited liability partnership, the law of this state; and

1634           (2) in the case of a partnership that is not a limited liability partnership, the law of the  
1635 state of the jurisdiction in which the partnership has its principal office.

1636           Section 17. Section **48-1d-105** is enacted to read:

1637           **48-1d-105. Supplemental principles of law.**

1638           Unless displaced by particular provisions of this chapter, the principles of law and  
1639 equity supplement this chapter.

1640           Section 18. Section **48-1d-106** is enacted to read:

1641           **48-1d-106. Partnership agreement -- Scope, function, and limitations.**

1642           (1) Except as otherwise provided in Subsections (3) and (4), the partnership agreement  
1643 governs:

1644           (a) relations among the partners as partners and between the partners and the  
1645 partnership;

1646           (b) the activities and affairs of the partnership and the conduct of those activities and  
1647 affairs; and

1648           (c) the means and conditions for amending the partnership agreement.

1649           (2) To the extent the partnership agreement does not provide for a matter described in  
1650 Subsection (1), this chapter governs the matter.

1651           (3) A partnership agreement may not:

1652           (a) vary the law applicable under Section 48-1d-104;

1653           (b) vary the provisions of Section 48-1d-111;

- 1654           (c) vary the provisions of Section 48-1d-307;
- 1655           (d) unreasonably restrict the duties and rights under Section 48-1d-403, but the  
1656 partnership agreement may impose reasonable restrictions on the availability and use of  
1657 information obtained under that section and may define appropriate remedies, including  
1658 liquidated damages, for a breach of any reasonable restriction on use;
- 1659           (e) eliminate the duty of loyalty or the duty of care, except as otherwise provided in  
1660 Subsection (4);
- 1661           (f) eliminate the contractual obligation of good faith and fair dealing under Subsection  
1662 48-1d-405(4), but the partnership agreement may prescribe the standards, if not unconscionable  
1663 or against public policy, by which the performance of the obligation is to be measured;
- 1664           (g) relieve or exonerate a person from liability for conduct involving bad faith, willful  
1665 misconduct, or recklessness;
- 1666           (h) vary the power to dissociate as a partner under Subsection 48-1d-702(1), except to  
1667 require the notice under Subsection 48-1d-701(1) to be in a record;
- 1668           (i) vary the right of a court to expel a partner in the events specified in Subsection  
1669 48-1d-701(5);
- 1670           (j) vary the causes of dissolution specified in Subsection 48-1d-901(4), (5), or (6);
- 1671           (k) vary the requirement to wind up the partnership's activities and affairs as specified  
1672 in Subsections 48-1d-902(1), (2)(a), and (4);
- 1673           (l) vary the right of a partner to approve a merger, interest exchange, conversion, or  
1674 domestication under Subsection 48-1d-1023(1)(b), 48-1d-1033(1)(b), 48-1d-1043(1)(b), or  
1675 48-1d-1053(1)(b);
- 1676           (m) vary any requirement, procedure, or other provision of this chapter pertaining to:  
1677           (i) registered agents; or  
1678           (ii) the division, including provisions pertaining to records authorized or required to be  
1679 delivered to the division for filing under this chapter; or
- 1680           (n) except as otherwise provided in Section 48-1d-107 and Subsection 48-1d-108(2),  
1681 restrict the rights under this chapter of a person other than a partner.

1682 (4) Subject to Subsection (3)(e), without limiting other terms that may be included in a  
1683 partnership agreement, the following rules apply:

1684 (a) The partnership agreement may specify the method by which a specific act or  
1685 transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one  
1686 or more disinterested and independent persons after full disclosure of all material facts.

1687 (b) If not unconscionable or against public policy, the partnership agreement may:

1688 (i) alter or eliminate the aspects of the duty of loyalty stated in Subsection  
1689 48-1d-405(2);

1690 (ii) identify specific types or categories of activities that do not violate the duty of  
1691 loyalty;

1692 (iii) alter the duty of care, except to authorize intentional misconduct or knowing  
1693 violation of law; and

1694 (iv) alter or eliminate any other fiduciary duty.

1695 (5) The court shall decide as a matter of law whether a term of a partnership agreement  
1696 is unconscionable or against public policy under Subsection (3)(f) or (4)(b). The court:

1697 (a) shall make its determination as of the time the challenged term became part of the  
1698 partnership agreement and by considering only circumstances existing at that time; and

1699 (b) may invalidate the term only if, in light of the purposes and business of the  
1700 partnership, it is readily apparent that:

1701 (i) the objective of the term is unconscionable or against public policy; or

1702 (ii) the means to achieve the term's objective is unconscionable or against public  
1703 policy.

1704 Section 19. Section **48-1d-107** is enacted to read:

1705 **48-1d-107. Partnership agreement -- Effect on partnership and person becoming**  
1706 **partner -- Preformation agreement.**

1707 (1) A partnership is bound by and may enforce the partnership agreement, whether or  
1708 not the partnership has itself manifested assent to the partnership agreement.

1709 (2) A person that becomes a partner of a partnership is deemed to assent to the

1710 partnership agreement.

1711 (3) Two or more persons intending to become the initial partners of a partnership may  
1712 make an agreement providing that upon the formation of the partnership the agreement will  
1713 become the partnership agreement.

1714 Section 20. Section **48-1d-108** is enacted to read:

1715 **48-1d-108. Partnership agreement -- Effect on third parties and relationship to**  
1716 **records effective on behalf of partnership.**

1717 (1) A partnership agreement may specify that its amendment requires the approval of a  
1718 person that is not a party to the partnership agreement or the satisfaction of a condition. An  
1719 amendment is ineffective if its adoption does not include the required approval or satisfy the  
1720 specified condition.

1721 (2) The obligations of a partnership and its partners to a person in the person's capacity  
1722 as a transferee or person dissociated as a partner are governed by the partnership agreement.  
1723 Subject only to a court order issued under Subsection 48-1d-604(2)(b) to effectuate a charging  
1724 order, an amendment to the partnership agreement made after a person becomes a transferee or  
1725 is dissociated as a partner:

1726 (a) is effective with regard to any debt, obligation, or other liability of the partnership  
1727 or its partners to the person in the person's capacity as a transferee or person dissociated as a  
1728 partner; and

1729 (b) is not effective to the extent the amendment:

1730 (i) imposes a new debt, obligation, or other liability on the transferee or person  
1731 dissociated as a partner; or

1732 (ii) prejudices the rights under Section 48-1d-801 of a person that dissociated as a  
1733 partner before the amendment was made.

1734 (3) If a record delivered by a partnership to the division for filing becomes effective  
1735 under this chapter and contains a provision that would be ineffective under Subsection  
1736 48-1d-106(3) or (4)(b) if contained in the partnership agreement, the provision is ineffective in  
1737 the record.

1738           (4) Subject to Subsection (3), if a record delivered by a partnership to the division for  
1739 filing becomes effective under this chapter and conflicts with a provision of the partnership  
1740 agreement:

1741           (a) the partnership agreement prevails as to partners, persons dissociated as partners,  
1742 and transferees; and

1743           (b) the record prevails as to other persons to the extent they reasonably rely on the  
1744 record.

1745           Section 21. Section **48-1d-109** is enacted to read:

1746           **48-1d-109. Delivery of record.**

1747           (1) Except as otherwise provided in this chapter, permissible means of delivery of a  
1748 record include delivery by hand, the United States Postal Service, commercial delivery service,  
1749 and electronic transmission.

1750           (2) Delivery to the division is effective only when a record is received by the division.

1751           Section 22. Section **48-1d-110** is enacted to read:

1752           **48-1d-110. Signing of records to be delivered for filing to division.**

1753           (1) A record delivered to the division for filing pursuant to this chapter must be signed  
1754 as follows:

1755           (a) Except as otherwise provided in Subsections (1)(b) and (c), a record signed by a  
1756 partnership must be signed by a person authorized by the partnership.

1757           (b) A record filed on behalf of a dissolved partnership that has no partner must be  
1758 signed by the person winding up the partnership's activities and affairs under Subsection  
1759 48-1d-902(3) or a person appointed under Subsection 48-1d-902(4) to wind up the business.

1760           (c) A statement of denial by a person under Section 48-1d-304 must be signed by that  
1761 person.

1762           (d) Any other record delivered on behalf of a person to the division for filing must be  
1763 signed by that person.

1764           (2) Any record filed under this chapter may be signed by an agent. Whenever this  
1765 chapter requires a particular individual to sign a record and the individual is deceased or

1766 incompetent, the record may be signed by a legal representative of the individual.

1767 (3) A person that signs a record as an agent or legal representative thereby affirms as a  
1768 fact that the person is authorized to sign the record.

1769 Section 23. Section **48-1d-111** is enacted to read:

1770 **48-1d-111. Signing and filing pursuant to judicial order.**

1771 (1) If a person required by this chapter to sign a record or deliver a record to the  
1772 division for filing under this chapter does not do so, any other person that is aggrieved may  
1773 petition the district court to order:

1774 (a) the person to sign the record;

1775 (b) the person to deliver the record to the division for filing; or

1776 (c) the division to file the record unsigned.

1777 (2) If a petitioner under Subsection (1) is not the partnership or foreign limited liability  
1778 partnership to which the record pertains, the petitioner shall make the partnership or foreign  
1779 limited liability partnership a party to the action.

1780 (3) A record filed under Subsection (1)(c) is effective without being signed.

1781 Section 24. Section **48-1d-112** is enacted to read:

1782 **48-1d-112. Filing requirements.**

1783 (1) To be filed by the division pursuant to this chapter, a record must be received by  
1784 the division, comply with this chapter, and satisfy the following:

1785 (a) The filing of the record must be required or permitted by this chapter.

1786 (b) The record must be physically delivered in written form unless and to the extent the  
1787 division permits electronic delivery of records.

1788 (c) The words in the record must be in English, and numbers must be in Arabic or  
1789 Roman numerals, but the name of an entity need not be in English if written in English letters  
1790 or Arabic or Roman numerals.

1791 (d) The record must be signed by a person authorized or required under this chapter to  
1792 sign the record.

1793 (e) The record must state the name and capacity, if any, of each individual who signed

1794 it, either on behalf of the individual or the person authorized or required to sign the record, but  
1795 need not contain a seal, attestation, acknowledgment, or verification.

1796 (2) If law other than this chapter prohibits the disclosure by the division of information  
1797 contained in a record delivered to the division for filing, the division shall accept the record if  
1798 the record otherwise complies with this chapter but the division may redact the information.

1799 (3) When a record is delivered to the division for filing, any fee required under this  
1800 chapter and any fee, tax, interest, or penalty required to be paid under this chapter or law other  
1801 than this chapter must be paid in a manner permitted by the division or by that law.

1802 (4) The division may require that a record delivered in written form be accompanied by  
1803 an identical or conformed copy.

1804 Section 25. Section **48-1d-113** is enacted to read:

1805 **48-1d-113. Effective time and date.**

1806 Except as otherwise provided in Section 48-1d-114 and subject to Subsection  
1807 48-1d-115(3), a record filed under this chapter is effective:

1808 (1) on the date and at the time of its filing by the division, as provided in Section  
1809 48-1d-116;

1810 (2) on the date of filing and at the time specified in the record as its effective time, if  
1811 later than the time under Subsection (1);

1812 (3) at a specified delayed effective time and date, which may not be more than 90 days  
1813 after the date of filing; or

1814 (4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the  
1815 date specified, which may not be more than 90 days after the date of filing.

1816 Section 26. Section **48-1d-114** is enacted to read:

1817 **48-1d-114. Withdrawal of filed record before effectiveness.**

1818 (1) Except as otherwise provided in Sections 48-1d-1024, 48-1d-1034, 48-1d-1044,  
1819 and 48-1d-1054, a record delivered to the division for filing may be withdrawn before it takes  
1820 effect by delivering to the division for filing a statement of withdrawal.

1821 (2) A statement of withdrawal must:

1822 (a) be signed by each person that signed the record being withdrawn, except as  
1823 otherwise agreed by those persons;  
1824 (b) identify the record to be withdrawn; and  
1825 (c) if signed by fewer than all the persons that signed the record being withdrawn, state  
1826 that the record is withdrawn in accordance with the agreement of all the persons that signed the  
1827 record.

1828 (3) On filing by the division of a statement of withdrawal, the action or transaction  
1829 evidenced by the original record does not take effect.

1830 Section 27. Section **48-1d-115** is enacted to read:

1831 **48-1d-115. Correcting filed record.**

1832 (1) A person on whose behalf a filed record was delivered to the division for filing may  
1833 correct the record if:

1834 (a) the record at the time of filing was inaccurate;  
1835 (b) the record was defectively signed; or  
1836 (c) the electronic transmission of the record to the division was defective.

1837 (2) To correct a filed record, a person on whose behalf the record was delivered to the  
1838 division must deliver to the division for filing a statement of correction.

1839 (3) A statement of correction:

1840 (a) may not state a delayed effective date;  
1841 (b) must be signed by the person correcting the filed record;  
1842 (c) must identify the filed record to be corrected;  
1843 (d) must specify the inaccuracy or defect to be corrected; and  
1844 (e) must correct the inaccuracy or defect.

1845 (4) A statement of correction is effective as of the effective date of the filed record that  
1846 it corrects except for purposes of Subsection 48-1d-103(4) and as to persons relying on the  
1847 uncorrected filed record and adversely affected by the correction. For those purposes and as to  
1848 those persons, the statement of correction is effective when filed.

1849 Section 28. Section **48-1d-116** is enacted to read:

1850           **48-1d-116. Duty of division to file -- Review of refusal to file -- Transmission of**  
1851 **information by division.**

1852           (1) The division shall file a record delivered to the division for filing which satisfies  
1853 this chapter. The duty of the division under this section is ministerial.

1854           (2) When the division files a record, the division shall record it as filed on the date and  
1855 at the time of its delivery. After filing a record, the division shall deliver to the person that  
1856 submitted the record a copy of the record with an acknowledgment of the date and time of  
1857 filing and, in the case of a statement of denial, also to the partnership to which the statement  
1858 pertains.

1859           (3) If the division refuses to file a record, the division, not later than 15 business days  
1860 after the record is delivered, shall:

1861           (a) return the record or notify the person that submitted the record of the refusal; and

1862           (b) provide a brief explanation in a record of the reason for the refusal.

1863           (4) If the division refuses to file a record, the person that submitted the record may  
1864 petition the district court to compel filing of the record. The record and the explanation of the  
1865 division of the refusal to file must be attached to the petition. The court may decide the matter  
1866 in a summary proceeding.

1867           (5) The filing of or refusal to file a record does not create a presumption that the  
1868 information contained in the record is correct or incorrect.

1869           (6) Except as otherwise provided by Section 16-17-301 or by law other than this  
1870 chapter, the division may deliver any record to a person by delivering it:

1871           (a) in person to the person that submitted it;

1872           (b) to the address of the person's registered agent;

1873           (c) to the principal office of the person; or

1874           (d) to another address the person provides to the division for delivery.

1875           Section 29. Section **48-1d-117** is enacted to read:

1876           **48-1d-117. Liability for inaccurate information in filed record.**

1877           (1) If a record delivered to the division for filing under this chapter and filed by the

1878 division contains inaccurate information, a person that suffers loss by reliance on the  
1879 information may recover damages for the loss from:  
1880 (a) a person that signed the record, or caused another to sign it on the person's behalf,  
1881 and knew the information to be inaccurate at the time the record was signed; and  
1882 (b) a partner, if:  
1883 (i) the record was delivered for filing on behalf of the partnership; and  
1884 (ii) the partner had notice of the inaccuracy for a reasonably sufficient time before the  
1885 information was relied upon so that, before the reliance, the partner reasonably could have:  
1886 (A) effected an amendment under Subsection 48-1d-1101(6);  
1887 (B) filed a petition under Section 48-1d-111; or  
1888 (C) delivered to the division for filing a statement of change under Section 16-17-206  
1889 or a statement of correction under Section 48-1d-115.

1890 (2) An individual who signs a record authorized or required to be filed under this  
1891 chapter affirms under penalty of perjury that the information stated in the record is accurate.

1892 Section 30. Section **48-1d-118** is enacted to read:

1893 **48-1d-118. Reservation of power to amend or repeal.**

1894 The Legislature of this state has power to amend or repeal all or part of this chapter at  
1895 any time, and all domestic and foreign limited liability partnerships subject to this chapter are  
1896 governed by the amendment or repeal.

1897 Section 31. Section **48-1d-201** is enacted to read:

1898 **Part 2. Nature of Partnership**

1899 **48-1d-201. Partnership as entity.**

1900 (1) A partnership is an entity distinct from its partners.

1901 (2) A partnership is the same entity regardless of whether the partnership has a  
1902 statement of qualification in effect under Section 48-1d-1101.

1903 Section 32. Section **48-1d-202** is enacted to read:

1904 **48-1d-202. Formation of partnership.**

1905 (1) Except as otherwise provided in Subsection (2), the association of two or more

1906 persons to carry on as co-owners a business for profit forms a partnership, whether or not the  
1907 persons intend to form a partnership.

1908 (2) An association formed under a statute other than this chapter, a predecessor statute,  
1909 or a comparable statute of another jurisdiction is not a partnership under this chapter.

1910 (3) In determining whether a partnership is formed, the following rules apply:

1911 (a) Joint tenancy, tenancy in common, tenancy by the entireties, joint property,  
1912 common property, or part ownership does not by itself establish a partnership, even if the  
1913 co-owners share profits made by the use of the property.

1914 (b) The sharing of gross returns does not by itself establish a partnership, even if the  
1915 persons sharing them have a joint or common right or interest in property from which the  
1916 returns are derived.

1917 (c) A person who receives a share of the profits of a business is presumed to be a  
1918 partner in the business, unless the profits were received in payment:

1919 (i) of a debt by installments or otherwise;

1920 (ii) for services as an independent contractor or of wages or other compensation to an  
1921 employee;

1922 (iii) of rent;

1923 (iv) of an annuity or other retirement or health benefit to a deceased or retired partner  
1924 or a beneficiary, representative, or designee of a deceased or retired partner;

1925 (v) of interest or other charge on a loan, even if the amount of payment varies with the  
1926 profits of the business, including a direct or indirect present or future ownership of the  
1927 collateral, or rights to income, proceeds, or increase in value derived from the collateral; or

1928 (vi) for the sale of the goodwill of a business or other property by installments or  
1929 otherwise.

1930 Section 33. Section **48-1d-203** is enacted to read:

1931 **48-1d-203. Partnership property.**

1932 Property acquired by a partnership is property of the partnership and not of the partners  
1933 individually.

1934 Section 34. Section **48-1d-204** is enacted to read:

1935 **48-1d-204. When property is partnership property.**

1936 (1) Property is partnership property if acquired in the name of:

1937 (a) the partnership; or

1938 (b) one or more partners with an indication in the instrument transferring title to the  
1939 property of the person's capacity as a partner or of the existence of a partnership but without an  
1940 indication of the name of the partnership.

1941 (2) Property is acquired in the name of the partnership by a transfer to:

1942 (a) the partnership in its name; or

1943 (b) one or more partners in their capacity as partners in the partnership, if the name of  
1944 the partnership is indicated in the instrument transferring title to the property.

1945 (3) Property is presumed to be partnership property if purchased with partnership  
1946 assets, even if not acquired in the name of the partnership or of one or more partners with an  
1947 indication in the instrument transferring title to the property of the person's capacity as a  
1948 partner or of the existence of a partnership.

1949 (4) Property acquired in the name of one or more of the partners, without an indication  
1950 in the instrument transferring title to the property of the person's capacity as a partner or of the  
1951 existence of a partnership and without use of partnership assets, is presumed to be separate  
1952 property, even if used for partnership purposes.

1953 Section 35. Section **48-1d-301** is enacted to read:

1954 **Part 3. Relations of Partners to Persons Dealing with Partnership**

1955 **48-1d-301. Partner agent of partnership.**

1956 Subject to the effect of a statement of partnership authority under Section 48-1d-303,  
1957 the following rules apply:

1958 (1) Each partner is an agent of the partnership for the purpose of its activities and  
1959 affairs. An act of a partner, including the signing of an instrument in the partnership name, for  
1960 apparently carrying on in the ordinary course the partnership's activities and affairs or activities  
1961 and affairs of the kind carried on by the partnership binds the partnership, unless the partner did

1962 not have authority to act for the partnership in the particular matter and the person with which  
1963 the partner was dealing knew, or had notice, that the partner lacked authority.

1964 (2) An act of a partner, which is not apparently for carrying on in the ordinary course  
1965 the partnership's activities and affairs or activities and affairs of the kind carried on by the  
1966 partnership, binds the partnership only if the act was actually authorized by all the other  
1967 partners.

1968 Section 36. Section **48-1d-302** is enacted to read:

1969 **48-1d-302. Transfer of partnership property.**

1970 (1) Partnership property may be transferred as follows:

1971 (a) Subject to the effect of a statement of partnership authority under Section  
1972 48-1d-303, partnership property held in the name of the partnership may be transferred by an  
1973 instrument of transfer executed by a partner in the partnership name.

1974 (b) Partnership property held in the name of one or more partners with an indication in  
1975 the instrument transferring the property to them of their capacity as partners or of the existence  
1976 of a partnership, but without an indication of the name of the partnership, may be transferred by  
1977 an instrument of transfer executed by the persons in whose name the property is held.

1978 (c) Partnership property held in the name of one or more persons other than the  
1979 partnership, without an indication in the instrument transferring the property to them of their  
1980 capacity as partners or of the existence of a partnership, may be transferred by an instrument of  
1981 transfer executed by the persons in whose name the property is held.

1982 (2) A partnership may recover partnership property from a transferee only if it proves  
1983 that execution of the instrument of initial transfer did not bind the partnership under Section  
1984 48-1d-301 and:

1985 (a) as to a subsequent transferee who gave value for property transferred under  
1986 Subsection (1)(a) or (1)(b), proves that the subsequent transferee knew or had received a  
1987 notification that the person who executed the instrument of initial transfer lacked authority to  
1988 bind the partnership; or

1989 (b) as to a transferee who gave value for property transferred under Subsection (1)(c),

1990 proves that the transferee knew or had received a notification that the property was partnership  
1991 property and that the person who executed the instrument of initial transfer lacked authority to  
1992 bind the partnership.

1993 (3) A partnership may not recover partnership property from a subsequent transferee if  
1994 the partnership would not have been entitled to recover the property, under Subsection (2),  
1995 from any earlier transferee of the property.

1996 (4) If a person holds all the partners' interests in the partnership, all the partnership  
1997 property vests in that person. The person may execute a document in the name of the  
1998 partnership to evidence vesting of the property in that person and may file or record the  
1999 document.

2000 Section 37. Section **48-1d-303** is enacted to read:

2001 **48-1d-303. Statement of partnership authority.**

2002 (1) A partnership may deliver to the division for filing a statement of partnership  
2003 authority. The statement:

2004 (a) must include:

2005 (i) the name of the partnership; and

2006 (ii) if the partnership is not a limited liability partnership, the street and mailing  
2007 addresses of its principal office;

2008 (b) with respect to any position that exists in or with respect to the partnership, may  
2009 state the authority, or limitations on the authority, of all persons holding the position to:

2010 (i) execute an instrument transferring real property held in the name of the partnership;

2011 or

2012 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the  
2013 partnership; and

2014 (c) may state the authority, or limitations on the authority, of a specific person to:

2015 (i) execute an instrument transferring real property held in the name of the partnership;

2016 or

2017 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the

2018 partnership.  
2019 (2) To amend or cancel a statement of authority filed by the division, a partnership  
2020 must deliver to the division for filing an amendment or cancellation stating:  
2021 (a) the name of the partnership;  
2022 (b) the street and mailing addresses of the partnership's principal office;  
2023 (c) the date the statement of authority being affected became effective; and  
2024 (d) the contents of the amendment or a declaration that the statement of authority is  
2025 canceled.  
2026 (3) A statement of authority affects only the power of a person to bind a partnership to  
2027 persons that are not partners.  
2028 (4) Subject to Subsection (3) and Subsection 48-1d-103(4)(a), and except as otherwise  
2029 provided in Subsections (6), (7), and (8), a limitation on the authority of a person or a position  
2030 contained in an effective statement of authority is not by itself evidence of any person's  
2031 knowledge or notice of the limitation.  
2032 (5) Subject to Subsection (3), a grant of authority not pertaining to transfers of real  
2033 property and contained in an effective statement of authority is conclusive in favor of a person  
2034 that gives value in reliance on the grant, except to the extent that if the person gives value:  
2035 (a) the person has knowledge to the contrary;  
2036 (b) the statement of authority has been canceled or restrictively amended under  
2037 Subsection (2); or  
2038 (c) a limitation on the grant is contained in another statement of authority that became  
2039 effective after the statement of authority containing the grant became effective.  
2040 (6) Subject to Subsection (3), an effective statement of authority that grants authority to  
2041 transfer real property held in the name of the partnership and a certified copy of which is  
2042 recorded in the office for recording transfers of the real property is conclusive in favor of a  
2043 person that gives value in reliance on the grant without knowledge to the contrary, except to the  
2044 extent that when the person gives value:  
2045 (a) the statement of authority has been canceled or restrictively amended under

2046 Subsection (2), and a certified copy of the cancellation or restrictive amendment has been  
2047 recorded in the office for recording transfers of the real property; or

2048 (b) a limitation on the grant is contained in another statement of authority that became  
2049 effective after the statement of authority containing the grant became effective, and a certified  
2050 copy of the later-effective statement of authority is recorded in the office for recording transfers  
2051 of the real property.

2052 (7) Subject to Subsection (3), if a certified copy of an effective statement of authority  
2053 containing a limitation on the authority to transfer real property held in the name of a  
2054 partnership is recorded in the office for recording transfers of that real property, all persons are  
2055 deemed to know of the limitation.

2056 (8) Subject to Subsection (9), an effective statement of dissolution is a cancellation of  
2057 any filed statement of authority for the purposes of Subsection (6) and is a limitation on  
2058 authority for purposes of Subsection (7).

2059 (9) After a statement of dissolution becomes effective, a partnership may deliver to the  
2060 division for filing and, if appropriate, may record a statement of authority that is designated as  
2061 a postdissolution statement of authority. The postdissolution statement of authority operates as  
2062 provided in Subsections (6) and (7).

2063 (10) Unless canceled earlier, an effective statement of authority is canceled by  
2064 operation of law five years after the date on which the statement of authority, or its most recent  
2065 amendment, becomes effective. Cancellation is effective without recording under Subsection  
2066 (6) or (7).

2067 (11) An effective statement of denial operates as a restrictive amendment under this  
2068 section and may be recorded by certified copy for purposes of Subsection (6)(a).

2069 Section 38. Section **48-1d-304** is enacted to read:

2070 **48-1d-304. Statement of denial.**

2071 A person named in a filed statement of authority granting that person authority may  
2072 deliver to the division for filing a statement of denial that:

2073 (1) provides the name of the partnership and the caption of the statement of authority to

2074 which the statement of denial pertains; and

2075 (2) denies the grant of authority.

2076 Section 39. Section **48-1d-305** is enacted to read:

2077 **48-1d-305. Partnership liable for partner's actionable conduct.**

2078 (1) A partnership is liable for loss or injury caused to a person, or for a penalty  
2079 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner  
2080 acting in the ordinary course of activities and affairs of the partnership or with the actual or  
2081 apparent authority of the partnership.

2082 (2) If, in the course of the partnership's activities and affairs or while acting with actual  
2083 or apparent authority of the partnership, a partner receives or causes the partnership to receive  
2084 money or property of a person not a partner, and the money or property is misapplied by a  
2085 partner, the partnership is liable for the loss.

2086 Section 40. Section **48-1d-306** is enacted to read:

2087 **48-1d-306. Partner's liability.**

2088 (1) Except as otherwise provided in Subsections (2) and (3), all partners are liable  
2089 jointly and severally for all debts, obligations, and other liabilities of the partnership unless  
2090 otherwise agreed to by the claimant or provided by law.

2091 (2) A person that becomes a partner is not personally liable for a debt, obligation, or  
2092 other liability of the partnership incurred before the person became a partner.

2093 (3) A debt, obligation, or other liability of a partnership incurred while the partnership  
2094 is a limited liability partnership is solely the debt, obligation, or other liability of the limited  
2095 liability partnership. A partner is not personally liable, directly or indirectly, by way of  
2096 contribution or otherwise, for a debt, obligation, or other liability of the limited liability  
2097 partnership solely by reason of being or acting as a partner. This Subsection (3) applies:

2098 (a) despite anything inconsistent in the partnership agreement that existed immediately  
2099 before the vote or consent required to become a limited liability partnership under Subsection  
2100 48-1d-1101(2); and

2101 (b) regardless of the dissolution of the limited liability partnership.

2102           (4) The failure of a limited liability partnership to observe any formalities relating to  
2103 the exercise of its powers or management of its activities and affairs is not a ground for  
2104 imposing liability on any partner of the limited liability partnership for a debt, obligation, or  
2105 other liability of the limited liability partnership.

2106           (5) The cancellation or administrative revocation of a limited liability partnership's  
2107 statement of qualification does not affect the limitation under this section on the liability of a  
2108 partner for a debt, obligation, or other liability of the partnership incurred while the statement  
2109 was in effect.

2110           (6) Subsection (3) and Part 11, Limited Liability Partnerships, do not alter any law  
2111 applicable to the relationship between a person providing a professional service and a person  
2112 receiving the professional service, including liability arising out of those professional services.  
2113 A person providing a professional service remains personally liable for a result of that person's  
2114 act or omission.

2115           Section 41. Section **48-1d-307** is enacted to read:

2116           **48-1d-307. Actions by and against partnership and partners.**

2117           (1) A partnership may sue and be sued in the name of the partnership.

2118           (2) To the extent not inconsistent with Section 48-1d-306, a partner may be joined in  
2119 an action against the partnership or named in a separate action.

2120           (3) A judgment against a partnership is not by itself a judgment against a partner. A  
2121 judgment against a partnership may not be satisfied from a partner's assets unless there is also a  
2122 judgment against the partner.

2123           (4) A judgment creditor of a partner may not levy execution against the assets of the  
2124 partner to satisfy a judgment based on a claim against the partnership unless the partner is  
2125 personally liable for the claim under Section 48-1d-306, and:

2126           (a) a judgment based on the same claim has been obtained against the partnership and a  
2127 writ of execution on the judgment has been returned unsatisfied in whole or in part;

2128           (b) the partnership is a debtor in bankruptcy;

2129           (c) the partner has agreed that the creditor need not exhaust partnership assets;

2130 (d) a court grants permission to the judgment creditor to levy execution against the  
2131 assets of a partner based on a finding that partnership assets subject to execution are clearly  
2132 insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively  
2133 burdensome, or that the grant of permission is an appropriate exercise of the court's equitable  
2134 powers; or

2135 (e) liability is imposed on the partner by law or contract independent of the existence of  
2136 the partnership.

2137 (5) This section applies to any partnership liability or obligation resulting from a  
2138 representation by a partner or purported partner under Section 48-1d-308.

2139 Section 42. Section **48-1d-308** is enacted to read:

2140 **48-1d-308. Liability of purported partner.**

2141 (1) If a person, by words or conduct, purports to be a partner, or consents to being  
2142 represented by another as a partner, in a partnership or with one or more persons not partners,  
2143 the purported partner is liable to a person to whom the representation is made, if that person,  
2144 relying on the representation, enters into a transaction with the actual or purported partnership.  
2145 If the representation, either by the purported partner or by a person with the purported partner's  
2146 consent, is made in a public manner, the purported partner is liable to a person who relies upon  
2147 the purported partnership even if the purported partner is not aware of being held out as a  
2148 partner to the claimant. If partnership liability results, the purported partner is liable with  
2149 respect to that liability as if the purported partner were a partner. If no partnership liability  
2150 results, the purported partner is liable with respect to that liability jointly and severally with any  
2151 other person consenting to the representation.

2152 (2) If a person is thus represented to be a partner in an existing partnership, or with one  
2153 or more persons not partners, the purported partner is an agent of persons consenting to the  
2154 representation to bind them to the same extent and in the same manner as if the purported  
2155 partner were a partner, with respect to persons who enter into transactions in reliance upon the  
2156 representation. If all the partners of the existing partnership consent to the representation, a  
2157 partnership act or obligation results. If fewer than all the partners of the existing partnership

2158 consent to the representation, the person acting and the partners consenting to the  
2159 representation are jointly and severally liable.

2160 (3) A person is not liable as a partner merely because the person is named by another in  
2161 a statement of partnership authority.

2162 (4) A person does not continue to be liable as a partner merely because of a failure to  
2163 file a statement of dissociation or to amend a statement of partnership authority to indicate the  
2164 partner's dissociation from the partnership.

2165 (5) Except as otherwise provided in Subsections (1) and (2), persons who are not  
2166 partners as to each other are not liable as partners to other persons.

2167 Section 43. Section **48-1d-401** is enacted to read:

2168 **Part 4. Relations of Partners to Each Other and to Partnership**

2169 **48-1d-401. Becoming partner.**

2170 (1) Upon formation of a partnership, a person becomes a partner under Subsection  
2171 48-1d-202(1).

2172 (2) After formation of a partnership, a person becomes a partner:

2173 (a) as provided in the partnership agreement;

2174 (b) as a result of a transaction effective under Part 10, Merger, Interest Exchange,  
2175 Conversion, and Domestication; or

2176 (c) with the consent of all the partners.

2177 (3) A person may become a partner without either:

2178 (a) acquiring a transferable interest; or

2179 (b) making or being obligated to make a contribution to the partnership.

2180 Section 44. Section **48-1d-402** is enacted to read:

2181 **48-1d-402. Management rights of partners.**

2182 (1) Each partner has equal rights in the management and conduct of the partnership's  
2183 activities and affairs.

2184 (2) A partner may use or possess partnership property only on behalf of the partnership.

2185 (3) A partner is not entitled to remuneration for services performed for the partnership.

2186 except for reasonable compensation for services rendered in winding up the activities and  
2187 affairs of the partnership.

2188 (4) A difference arising among partners as to a matter in the ordinary course of the  
2189 activities of the partnership shall be decided by a majority of the partners.

2190 (5) An act outside the ordinary course of the activities and affairs of the partnership  
2191 may be undertaken only with the consent of all partners. An act outside the ordinary course of  
2192 business of a partnership, an amendment to the partnership agreement, and the approval of a  
2193 transaction under Part 10, Merger, Interest Exchange, Conversion, and Domestication, may be  
2194 undertaken only with the affirmative vote or consent of all of the partners.

2195 Section 45. Section **48-1d-403** is enacted to read:

2196 **48-1d-403. Rights of partners and person dissociated as partner to information.**

2197 (1) A partnership shall keep its books and records, if any, at its principal office.

2198 (2) On reasonable notice, a partner may inspect and copy during regular business  
2199 hours, at a reasonable location specified by the partnership, any record maintained by the  
2200 partnership regarding the partnership's activities, affairs, financial condition, and other  
2201 circumstances, to the extent the information is material to the partner's rights and duties under  
2202 the partnership agreement or this chapter.

2203 (3) The partnership shall furnish to each partner:

2204 (a) without demand, any information concerning the partnership's activities, affairs,  
2205 financial condition, and other circumstances which the partnership knows and is material to the  
2206 proper exercise of the partner's rights and duties under the partnership agreement or this  
2207 chapter, except to the extent the partnership can establish that it reasonably believes the partner  
2208 already knows the information; and

2209 (b) on demand, any other information concerning the partnership's activities, affairs,  
2210 financial condition, and other circumstances, except to the extent the demand or information  
2211 demand is unreasonable or otherwise improper under the circumstances.

2212 (4) The duty to furnish information under Subsection (3) also applies to each partner to  
2213 the extent the partner knows any of the information described in Subsection (3).

2214 (5) Subject to Subsection (8), on 10 days' demand made in a record received by a  
2215 partnership, a person dissociated as a partner may have access to information to which the  
2216 person was entitled while a partner if:

2217 (a) the information pertains to the period during which the person was a partner;

2218 (b) the person seeks the information in good faith; and

2219 (c) the person satisfies the requirements imposed on a partner by Subsection (2).

2220 (6) Not later than 10 days after receiving a demand under Subsection (5), the  
2221 partnership in a record shall inform the person that made the demand of:

2222 (a) the information that the partnership will provide in response to the demand and  
2223 when and where the partnership will provide the information; and

2224 (b) the partnership's reasons for declining, if the partnership declines to provide any  
2225 demand information.

2226 (7) A partnership may charge a person that makes a demand under this section the  
2227 reasonable costs of copying, limited to the costs of labor and material.

2228 (8) A partner or person dissociated as a partner may exercise rights under this section  
2229 through an agent or, in the case of an individual under legal disability, a legal representative.  
2230 Any restriction or condition imposed by the partnership agreement or under Subsection (11)  
2231 applies both to the agent or legal representative and the partner or person dissociated as a  
2232 partner.

2233 (9) The rights under this section do not extend to a person as transferee.

2234 (10) If a partner dies, Section 48-1d-605 applies.

2235 (11) In addition to any restriction or condition stated in the partnership agreement, a  
2236 partnership, as a matter within the ordinary course of its business, may impose reasonable  
2237 restrictions and conditions on access to and use of information to be furnished under this  
2238 section, including designating information confidential and imposing nondisclosure and  
2239 safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a  
2240 restriction under this subsection, the partnership has the burden of proving reasonableness.

2241 Section 46. Section **48-1d-404** is enacted to read:

2242 **48-1d-404. Reimbursement, indemnification, advancement, and insurance.**

2243 (1) A partnership shall reimburse a partner for any payment made by the partner in the  
2244 course of the partner's activities on behalf of the partnership, if the partner complied with  
2245 Sections 48-1d-402 and 48-1d-405 in making the payment.

2246 (2) A partnership shall indemnify and hold harmless a person with respect to any claim  
2247 or demand against the person and any debt, obligation, or other liability incurred by the person  
2248 by reason of the person's former or present capacity as a partner, if the claim, demand, debt,  
2249 obligation, or other liability does not arise from the person's breach of Section 48-1d-402,  
2250 48-1d-405, or 48-1d-504.

2251 (3) In the ordinary course of its activities and affairs, a partnership may advance  
2252 reasonable expenses, including attorney's fees and costs, incurred by a person in connection  
2253 with a claim or demand against the person by reason of the person's former or present capacity  
2254 as a partner, if the person promises to repay the partnership if the person ultimately is  
2255 determined not to be entitled to be indemnified under Subsection (2).

2256 (4) A partnership may purchase and maintain insurance on behalf of a partner against  
2257 liability asserted against or incurred by the partner in that capacity or arising from that status  
2258 even if, under Subsection 48-1d-106(3)(g), the partnership agreement could not eliminate or  
2259 limit the person's liability to the partnership for the conduct giving rise to the liability.

2260 (5) A partnership shall reimburse a partner for an advance to the partnership beyond  
2261 the amount of capital the partner agreed to contribute.

2262 (6) A payment or advance made by a partner which gives rise to a partnership  
2263 obligation under Subsection (1) or (5) constitutes a loan to the partnership which accrues  
2264 interest from the date of the payment or advance.

2265 Section 47. Section **48-1d-405** is enacted to read:

2266 **48-1d-405. Standards of conduct for partners.**

2267 (1) A partner owes to the partnership and the other partners the duties of loyalty and  
2268 care stated in Subsections (2) and (3).

2269 (2) The duty of loyalty of a partner includes the duties:

2270 (a) to account to the partnership and hold as trustee for it any property, profit, or  
2271 benefit derived by the partner:

2272 (i) in the conduct or winding up of the partnership's activities and affairs;

2273 (ii) from a use by the partner of the partnership's property; or

2274 (iii) from the appropriation of a partnership opportunity;

2275 (b) to refrain from dealing with the partnership in the conduct or winding up of the  
2276 partnership's activities and affairs as or on behalf of a person having an interest adverse to the  
2277 partnership; and

2278 (c) to refrain from competing with the partnership in the conduct of the partnership's  
2279 activities and affairs before the dissolution of the partnership.

2280 (3) The duty of care of a partner in the conduct or winding up of the partnership's  
2281 activities and affairs is to refrain from engaging in grossly negligent or reckless conduct,  
2282 intentional misconduct, or a knowing violation of law.

2283 (4) A partner shall discharge the duties and obligations under this chapter or under the  
2284 partnership agreement and exercise any rights consistently with the contractual obligation of  
2285 good faith and fair dealing.

2286 (5) A partner does not violate a duty or obligation under this chapter or under the  
2287 partnership agreement solely because the partner's conduct furthers the partner's own interest.

2288 (6) All the partners may authorize or ratify, after full disclosure of all material facts, a  
2289 specific act or transaction that otherwise would violate the duty of loyalty.

2290 (7) It is a defense to a claim under Subsection (2)(b) and any comparable claim in  
2291 equity or at common law that the transaction was fair to the partnership.

2292 (8) If, as permitted by Subsection (6) or the partnership agreement, a partner enters into  
2293 a transaction with the partnership which otherwise would be prohibited by Subsection (2)(b),  
2294 the partner's rights and obligations arising from the transaction are the same as those of a  
2295 person that is not a partner.

2296 Section 48. Section **48-1d-406** is enacted to read:

2297 **48-1d-406. Actions by partnership and partners.**



2326 for, or provide another benefit to the partnership.

2327 Section 51. Section **48-1d-502** is enacted to read:

2328 **48-1d-502. Liability for contribution.**

2329 (1) A person's obligation to make a contribution to a partnership is not excused by the  
2330 person's death, disability, dissolution, or other inability to perform personally.

2331 (2) If a person does not fulfill an obligation to make a contribution other than money,  
2332 the person is obligated at the option of the partnership to contribute money equal to the value of  
2333 the part of the contribution which has not been made.

2334 (3) The obligation of a person to make a contribution may be compromised only by  
2335 consent of all partners. If a creditor of a limited liability partnership extends credit or  
2336 otherwise acts in reliance on an obligation described in Subsection (1), without notice of a  
2337 compromise under this Subsection (3), the creditor may enforce the obligation.

2338 Section 52. Section **48-1d-503** is enacted to read:

2339 **48-1d-503. Sharing of and right to distributions before dissolution.**

2340 (1) Any distributions made by a partnership before its dissolution and winding up must  
2341 be in equal shares among partners, except to the extent necessary to comply with a transfer  
2342 effective under Section 48-1d-603 or charging order in effect under Section 48-1d-604.

2343 (2) A person has a right to a distribution before the dissolution and winding up of a  
2344 partnership only if the partnership decides to make an interim distribution.

2345 (3) A person does not have a right to demand or receive a distribution from a  
2346 partnership in any form other than money. Except as otherwise provided in Section 48-1d-906,  
2347 a partnership may distribute an asset in kind only if each part of the asset is fungible with each  
2348 other part and each person receives a percentage of the asset equal in value to the person's share  
2349 of distributions.

2350 (4) If a partner or transferee becomes entitled to receive a distribution, the partner or  
2351 transferee has the status of, and is entitled to all remedies available to, a creditor of the  
2352 partnership with respect to the distribution. However, the partnership's obligation to make a  
2353 distribution is subject to offset for any amount owed to the partnership by the partner or a

2354 person dissociated as partner on whose account the distribution is made.

2355 Section 53. Section **48-1d-504** is enacted to read:

2356 **48-1d-504. Limitation on distributions by limited liability partnership.**

2357 (1) A limited liability partnership may not make a distribution, including a distribution  
2358 under Section 48-1d-906, if after the distribution:

2359 (a) the limited liability partnership would not be able to pay its debts as they become  
2360 due in the ordinary course of the partnership's activities and affairs; or

2361 (b) the limited liability partnership's total assets would be less than the sum of its total  
2362 liabilities plus, unless the partnership agreement permits otherwise, the amount that would be  
2363 needed, if the partnership were to be dissolved and wound up at the time of the distribution, to  
2364 satisfy the preferential rights upon dissolution and winding up of partners and transferees  
2365 whose preferential rights are superior to the right to receive distributions of the persons  
2366 receiving the distribution.

2367 (2) A limited liability partnership may base a determination that a distribution is not  
2368 prohibited under Subsection (1) on:

2369 (a) financial statements prepared on the basis of accounting practices and principles  
2370 that are reasonable in the circumstances; or

2371 (b) a fair valuation or other method that is reasonable under the circumstances.

2372 (3) Except as otherwise provided in Subsection (5), the effect of a distribution under  
2373 Subsection (1) is measured:

2374 (a) in the case of a distribution as defined in Subsection 48-1d-102(4)(a), as of the  
2375 earlier of the date:

2376 (i) money or other property is transferred or debt is incurred by the limited liability  
2377 partnership; or

2378 (ii) the person entitled to the distribution ceases to own the interest or rights being  
2379 acquired by the limited liability partnership in return for the distribution;

2380 (b) in the case of any other distribution of indebtedness, as of the date the indebtedness  
2381 is distributed; and

2382 (c) in all other cases, as of the date:

2383 (i) the distribution is authorized, if the payment occurs not later than 120 days after that  
2384 date; or

2385 (ii) the payment is made, if the payment occurs more than 120 days after the  
2386 distribution is authorized.

2387 (4) A limited liability partnership's indebtedness to a partner or transferee incurred by  
2388 reason of a distribution made in accordance with this section is at parity with the limited  
2389 liability partnership's indebtedness to its general, unsecured creditors, except to the extent  
2390 subordinated by agreement.

2391 (5) A limited liability partnership's indebtedness, including indebtedness issued as a  
2392 distribution, is not a liability for purposes of Subsection (1) if the terms of the indebtedness  
2393 provide that payment of principal and interest is made only if and to the extent that a payment  
2394 of a distribution could then be made under this section. If the indebtedness is issued as a  
2395 distribution, each payment of principal or interest is treated as a distribution, the effect of  
2396 which is measured on the date the payment is made.

2397 (6) In measuring the effect of a distribution under Section 48-1d-906, the liabilities of a  
2398 dissolved limited liability partnership do not include any claim that has been disposed of under  
2399 Sections 48-1d-907, 48-1d-908, and 48-1d-909.

2400 Section 54. Section **48-1d-505** is enacted to read:

2401 **48-1d-505. Liability for improper distributions by a limited liability partnership.**

2402 (1) If a partner of a limited liability partnership consents to a distribution made in  
2403 violation of Section 48-1d-504 and in consenting to the distribution fails to comply with  
2404 Section 48-1d-405, the partner is personally liable to the limited liability partnership for the  
2405 amount of the distribution which exceeds the amount that could have been distributed without  
2406 the violation of Section 48-1d-504.

2407 (2) A person that receives a distribution knowing that the distribution violated Section  
2408 48-1d-504 is personally liable to the limited liability partnership but only to the extent that the  
2409 distribution received by the person exceeded the amount that could have been properly paid

2410 under Section 48-1d-504.

2411 (3) A person against which an action is commenced because the person is liable under  
2412 Subsection (1) may:

2413 (a) implead any other person that is liable under Subsection (1) and seek to enforce a  
2414 right of contribution from the person; and

2415 (b) implead any person that received a distribution in violation of Subsection (2) and  
2416 seek to enforce a right of contribution from the person in the amount the person received in  
2417 violation of Subsection (2).

2418 (4) An action under this section is barred unless commenced not later than two years  
2419 after the distribution.

2420 Section 55. Section **48-1d-601** is enacted to read:

2421 **Part 6. Transferable Interests and Rights of Transferees and Creditors**

2422 **48-1d-601. Partner not co-owner of partnership property.**

2423 A partner is not a co-owner of partnership property and has no interest in partnership  
2424 property which can be transferred, either voluntarily or involuntarily.

2425 Section 56. Section **48-1d-602** is enacted to read:

2426 **48-1d-602. Nature of transferable interest.**

2427 A transferable interest is personal property.

2428 Section 57. Section **48-1d-603** is enacted to read:

2429 **48-1d-603. Transfer of transferable interest.**

2430 (1) A transfer, in whole or in part, of a transferable interest:

2431 (a) is permissible;

2432 (b) does not by itself cause a person's dissociation or a dissolution and winding up of  
2433 the partnership's activities and affairs; and

2434 (c) subject to Section 48-1d-605, does not entitle the transferee to:

2435 (i) participate in the management or conduct of the partnership's activities and affairs;

2436 or

2437 (ii) except as otherwise provided in Subsection (3), have access to records or other

2438 information concerning the partnership's activities and affairs.

2439 (2) A transferee has the right to:

2440 (a) receive, in accordance with the transfer, distributions to which the transferor would  
2441 otherwise be entitled; and

2442 (b) seek under Subsection 48-1d-901(5) a judicial determination that it is equitable to  
2443 wind up the partnership's activities and affairs.

2444 (3) In a dissolution and winding up of a partnership, a transferee is entitled to an  
2445 account of the partnership's transactions only from the date of the last account agreed to by the  
2446 partners.

2447 (4) A partnership need not give effect to a transferee's rights under this section until the  
2448 partnership knows or has notice of the transfer.

2449 (5) A transfer of a transferable interest in violation of a restriction on transfer contained  
2450 in the partnership agreement is ineffective as to a person having knowledge or notice of the  
2451 restriction at the time of transfer.

2452 (6) Except as otherwise provided in Subsection 48-1d-701(4)(b), if a partner transfers a  
2453 transferable interest, the transferor retains the rights of a partner other than the transferable  
2454 interest transferred and retains all duties and obligations of a partner.

2455 (7) If a partner transfers a transferable interest to a person that becomes a partner with  
2456 respect to the transferred interest, the transferee is liable for the transferor's obligations under  
2457 Sections 48-1d-502 and 48-1d-505 known to the transferee when the transferee becomes a  
2458 partner.

2459 Section 58. Section **48-1d-604** is enacted to read:

2460 **48-1d-604. Charging order.**

2461 (1) On application by a judgment creditor of a partner or transferee, a court may enter a  
2462 charging order against the transferable interest of the judgment debtor for the unsatisfied  
2463 amount of the judgment. A charging order constitutes a lien on a judgment debtor's  
2464 transferable interest and, after the partnership has been served with the charging order, requires  
2465 the partnership to pay over to the person to which the charging order was issued any

2466 distribution that otherwise would be paid to the judgment debtor.

2467 (2) To the extent necessary to effectuate the collection of distributions pursuant to a  
2468 charging order in effect under Subsection (1), the court may:

2469 (a) appoint a receiver of the distributions subject to the charging order, with the power  
2470 to make all inquiries the judgment debtor might have made; and

2471 (b) make all other orders necessary to give effect to the charging order.

2472 (3) Upon a showing that distributions under a charging order will not pay the judgment  
2473 debt within a reasonable time, the court may foreclose the lien and order the sale of the  
2474 transferable interest. The purchaser at the foreclosure sale obtains only the transferable  
2475 interest, does not thereby become a partner, and is subject to Section 48-1d-603.

2476 (4) At any time before foreclosure under Subsection (3), the partner or transferee  
2477 whose transferable interest is subject to a charging order under Subsection (1) may extinguish  
2478 the charging order by satisfying the judgment and filing a certified copy of the satisfaction with  
2479 the court that issued the charging order.

2480 (5) At any time before foreclosure under Subsection (3), a partnership or one or more  
2481 partners whose transferable interests are not subject to the charging order may pay to the  
2482 judgment creditor the full amount due under the judgment and thereby succeed to the rights of  
2483 the judgment creditor, including the charging order.

2484 (6) This chapter does not deprive any partner or transferee of the benefit of any  
2485 exemption law applicable to the transferable interest of the partner or transferee.

2486 (7) This section provides the exclusive remedy by which a person seeking to enforce a  
2487 judgment against a partner or transferee, in the capacity of judgment creditor, may satisfy the  
2488 judgment from the judgment debtor's transferable interest.

2489 Section 59. Section **48-1d-605** is enacted to read:

2490 **48-1d-605. Power of legal representative of deceased partner.**

2491 If a partner dies, the deceased partner's legal representative may exercise:

2492 (1) the rights of a transferee provided in Subsection 48-1d-603(3); and

2493 (2) for purposes of settling the estate, the rights the deceased partner had under Section

2494 48-1d-403.

2495 Section 60. Section **48-1d-701** is enacted to read:

2496 **Part 7. Dissociation**

2497 **48-1d-701. Events causing dissociation.**

2498 A person is dissociated as a partner when:

2499 (1) the partnership has notice of the person's express will to withdraw as a partner, but,  
2500 if the person specified a withdrawal date later than the date the partnership had notice, on that  
2501 later date;

2502 (2) an event stated in the partnership agreement as causing the person's dissociation  
2503 occurs;

2504 (3) the person is expelled as a partner pursuant to the partnership agreement;

2505 (4) the person is expelled as a partner by the unanimous vote or consent of the other  
2506 partners if:

2507 (a) it is unlawful to carry on the partnership's activities and affairs with the person as a  
2508 partner;

2509 (b) there has been a transfer of all of the person's transferable interest in the  
2510 partnership, other than:

2511 (i) a transfer for security purposes; or

2512 (ii) a charging order in effect under Section 48-1d-604, which has not been foreclosed;

2513 (c) the person is a corporation and:

2514 (i) the partnership notifies the person that it will be expelled as a partner because the  
2515 person has filed a statement of dissolution or the equivalent, its charter has been revoked, or its  
2516 right to conduct business has been suspended by the jurisdiction of its incorporation; and

2517 (ii) not later than 90 days after the notification, the statement of dissolution or the  
2518 equivalent has not been revoked or the charter or right to conduct business has not been  
2519 reinstated; or

2520 (d) the person is an unincorporated entity that has been dissolved and whose business  
2521 is being wound up;

2522 (5) on application by the partnership or another partner, the person is expelled as a  
2523 partner by judicial order because the person:

2524 (a) has engaged or is engaging in wrongful conduct that has affected adversely and  
2525 materially, or will affect adversely and materially, the partnership's activities and affairs;

2526 (b) has committed willfully or persistently, or is committing willfully or persistently, a  
2527 material breach of the partnership agreement or a duty or obligation under Section 48-1d-405;  
2528 or

2529 (c) engaged or is engaging in conduct relating to the partnership's activities and affairs  
2530 which makes it not reasonably practicable to carry on the partnership's activities and affairs  
2531 with the person as a partner;

2532 (6) in the case of an individual:

2533 (a) the individual dies;

2534 (b) a guardian or general conservator for the individual is appointed; or

2535 (c) a court orders that the individual has otherwise become incapable of performing the  
2536 individual's duties as a partner under this chapter or the partnership agreement;

2537 (7) the person:

2538 (a) becomes a debtor in bankruptcy;

2539 (b) executes an assignment for the benefit of creditors; or

2540 (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or  
2541 liquidator of the person or of all, or substantially all, of the person's property;

2542 (8) in the case of a person that is a testamentary or inter vivos trust or is acting as a  
2543 partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the  
2544 partnership is distributed;

2545 (9) in the case of a person that is an estate or is acting as a partner by virtue of being a  
2546 personal representative of an estate, the estate's entire transferable interest in the partnership is  
2547 distributed, but not merely by reason of the substitution of a successor personal representative;

2548 (10) in the case of a person that is not an individual, corporation, unincorporated entity,  
2549 trust, or estate, the existence of the person terminates;

2550 (11) the partnership participates in a merger under Part 10, Merger, Interest Exchange,  
2551 Conversion, and Domestication, and:

2552 (a) the partnership is not the surviving entity; or

2553 (b) otherwise as a result of the merger, the person ceases to be a partner;

2554 (12) the partnership participates in an interest exchange under Part 10, Merger, Interest  
2555 Exchange, Conversion, and Domestication, and, as a result of the interest exchange, the person  
2556 ceases to be a partner;

2557 (13) the partnership participates in a conversion under Part 10, Merger, Interest  
2558 Exchange, Conversion, and Domestication;

2559 (14) the partnership participates in a domestication under Part 10, Merger, Interest  
2560 Exchange, Conversion, and Domestication, and, as a result of the domestication, the person  
2561 ceases to be a partner; or

2562 (15) the partnership dissolves and completes winding up.

2563 Section 61. Section **48-1d-702** is enacted to read:

2564 **48-1d-702. Power to dissociate as partner -- Wrongful dissociation.**

2565 (1) A person has the power to dissociate as a partner at any time, rightfully or  
2566 wrongfully, by withdrawing as a partner by express will under Subsection 48-1d-701(1).

2567 (2) A person's dissociation as a partner is wrongful only if the dissociation:

2568 (a) is in breach of an express provision of the partnership agreement; or

2569 (b) in the case of a partnership for a definite term or particular undertaking, occurs  
2570 before the expiration of the term or the completion of the undertaking and:

2571 (i) the person withdraws by express will, unless the withdrawal follows not later than  
2572 90 days after another person's dissociation by death or otherwise under Subsections  
2573 48-1d-701(6) through (10) or wrongful dissociation under this subsection;

2574 (ii) the person is expelled by judicial order under Subsection 48-1d-701(5);

2575 (iii) the person is dissociated under Subsection 48-1d-701(7); or

2576 (iv) in the case of a person that is not a trust other than a business trust, an estate, an  
2577 individual, or a trust other than a business trust, the person is expelled or otherwise dissociated

2578 because it willfully dissolved or terminated.

2579 (3) A person that wrongfully dissociates is liable to the partnership and to the other  
2580 partners for damages caused by the dissociation. The liability is in addition to any debt,  
2581 obligation, or other liability of the partner to the partnership or the other partners.

2582 Section 62. Section **48-1d-703** is enacted to read:

2583 **48-1d-703. Effect of dissociation.**

2584 (1) If a person's dissociation results in a dissolution and winding up of the partnership's  
2585 activities and affairs, Part 9, Dissolution and Winding Up, applies, otherwise, Part 8, Partner's  
2586 Dissociation When Business Not Wound Up, applies.

2587 (2) If a person is dissociated as a partner:

2588 (a) the person's right to participate in the management and conduct of the partnership's  
2589 activities and affairs terminates, except as otherwise provided in Subsection 48-1d-902(3); and

2590 (b) the person's duties and obligations under Section 48-1d-405:

2591 (i) end with regard to matters arising and events occurring after the person's  
2592 dissociation; and

2593 (ii) continue only with regard to matters arising and events occurring before the  
2594 person's dissociation, unless the partner participates in winding up the partnership's activities  
2595 and affairs pursuant to Section 48-1d-902.

2596 (3) A person's dissociation does not of itself discharge the person from a debt,  
2597 obligation, or other liability to the partnership or the other partners which the person incurred  
2598 while a partner.

2599 Section 63. Section **48-1d-801** is enacted to read:

2600 **Part 8. Partner's Dissociation When Business Not Wound Up**

2601 **48-1d-801. Purchase of interest of person dissociated as partner.**

2602 (1) If a person is dissociated as a partner without the dissociation resulting in a  
2603 dissolution and winding up of the partnership's activities and affairs under Section 48-1d-901,  
2604 the partnership shall cause the person's interest in the partnership to be purchased for a buyout  
2605 price determined pursuant to Subsection (2).

2606           (2) The buyout price of the interest of a person dissociated as a partner is the amount  
2607 that would have been distributable to the person under Subsection 48-1d-906(2) if, on the date  
2608 of dissociation, the assets of the partnership were sold and the partnership were wound up, with  
2609 the sale price equal to the greater of:

2610           (a) the liquidation value; or

2611           (b) the value based on a sale of the entire business as a going concern without the  
2612 person.

2613           (3) Interest accrues on the buyout price from the date of dissociation to the date of  
2614 payment, but damages for wrongful dissociation under Subsection 48-1d-702(2), and all other  
2615 amounts owing, whether or not presently due, from the person dissociated as a partner to the  
2616 partnership, must be offset against the buyout price.

2617           (4) A partnership shall defend, indemnify, and hold harmless a person dissociated as a  
2618 partner whose interest is being purchased against all partnership liabilities, whether incurred  
2619 before or after the dissociation, except liabilities incurred by an act of the person dissociated as  
2620 a partner under Section 48-1d-802.

2621           (5) If no agreement for the purchase of the interest of a person dissociated as a partner  
2622 is reached not later than 120 days after a written demand for payment, the partnership shall pay,  
2623 or cause to be paid, in money to the person the amount the partnership estimates to be the  
2624 buyout price and accrued interest, reduced by any offsets and accrued interest under Subsection  
2625 (3).

2626           (6) If a deferred payment is authorized under Subsection (8), the partnership may  
2627 tender a written offer to pay the amount it estimates to be the buyout price and accrued interest,  
2628 reduced by any offsets under Subsection (3), stating the time of payment, the amount and type  
2629 of security for payment, and the other terms and conditions of the obligation.

2630           (7) The payment or tender required by Subsection (5) or (6) must be accompanied by  
2631 the following:

2632           (a) a statement of partnership assets and liabilities as of the date of dissociation;

2633           (b) the latest available partnership balance sheet and income statement, if any;

2634 (c) an explanation of how the estimated amount of the payment was calculated; and  
2635 (d) written notice that the payment is in full satisfaction of the obligation to purchase  
2636 unless, not later than 120 days after the written notice, the person dissociated as a partner  
2637 commences an action to determine the buyout price, any offsets under Subsection (3), or other  
2638 terms of the obligation to purchase.

2639 (8) A person that wrongfully dissociates as a partner before the expiration of a definite  
2640 term or the completion of a particular undertaking is not entitled to payment of any part of the  
2641 buyout price until the expiration of the term or completion of the undertaking, unless the  
2642 person establishes to the satisfaction of the court that earlier payment will not cause undue  
2643 hardship to the business of the partnership. A deferred payment must be adequately secured  
2644 and bear interest.

2645 (9) A person dissociated as a partner may maintain an action against the partnership,  
2646 pursuant to Subsection 48-1d-406(2), to determine the buyout price of that person's interest,  
2647 any offsets under Subsection (3), or other terms of the obligation to purchase. The action must  
2648 be commenced not later than 120 days after the partnership has tendered payment or an offer to  
2649 pay or within one year after written demand for payment if no payment or offer to pay is  
2650 tendered. The court shall determine the buyout price of the person's interest, any offset due  
2651 under Subsection (3), and accrued interest, and enter judgment for any additional payment or  
2652 refund. If deferred payment is authorized under Subsection (8), the court shall also determine  
2653 the security for payment and other terms of the obligation to purchase. The court may assess  
2654 reasonable attorney's fees and the fees and expenses of appraisers or other experts for a party to  
2655 the action, in amounts the court finds equitable, against a party that the court finds acted  
2656 arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's  
2657 failure to tender payment or an offer to pay or to comply with Subsection (7).

2658 Section 64. Section **48-1d-802** is enacted to read:

2659 **48-1d-802. Power to bind and liability of person dissociated as partner.**

2660 (1) After a person is dissociated as a partner without the dissociation resulting in a  
2661 dissolution and winding up of the partnership's activities and affairs and before the partnership

2662 is merged out of existence, converted, or domesticated under Part 10, Merger, Interest  
2663 Exchange, Conversion, and Domestication, or dissolved, the partnership is bound by an act of  
2664 the person only if:

2665 (a) the act would have bound the partnership under Section 48-1d-301 before  
2666 dissociation; and

2667 (b) at the time the other party enters into the transaction:

2668 (i) less than two years has passed since the dissociation; and

2669 (ii) the other party does not know or have notice of the dissociation and reasonably  
2670 believes that the person is a partner.

2671 (2) If a partnership is bound under Subsection (1), the person dissociated as a partner  
2672 which caused the partnership to be bound is liable:

2673 (a) to the partnership for any damage caused to the partnership arising from the  
2674 obligation incurred under Subsection (1); and

2675 (b) if a partner or another person dissociated as a partner is liable for the obligation, to  
2676 the partner or other person for any damage caused to the partner or other person arising from  
2677 the liability.

2678 Section 65. Section **48-1d-803** is enacted to read:

2679 **48-1d-803. Liability of person dissociated as partner to other persons.**

2680 (1) A person's dissociation as a partner does not of itself discharge the person's liability  
2681 as a partner for a debt, obligation, or other liability of the partnership incurred before  
2682 dissociation. Except as otherwise provided in Subsection (2), the person is not liable for a  
2683 partnership obligation incurred after dissociation.

2684 (2) A person that has dissociated as a partner without the dissociation resulting in a  
2685 dissolution and winding up of the partnership's activities and affairs is liable on a transaction  
2686 entered into by the partnership after the dissociation only if:

2687 (a) a partner would be liable on the transaction; and

2688 (b) at the time the other party enters into the transaction:

2689 (i) less than two years has passed since the dissociation; and

2690 (ii) the other party does not have knowledge or notice of the dissociation and  
2691 reasonably believes that the person is a partner.

2692 (3) By agreement with a creditor of a partnership and the partnership, a person  
2693 dissociated as a partner may be released from liability for an obligation of the partnership.

2694 (4) A person dissociated as a partner is released from liability for an obligation of the  
2695 partnership if the partnership's creditor, with knowledge or notice of the person's dissociation  
2696 but without the person's consent, agrees to a material alteration in the nature or time of payment  
2697 of the obligation.

2698 Section 66. Section **48-1d-804** is enacted to read:

2699 **48-1d-804. Statement of dissociation.**

2700 (1) A person dissociated as a partner or the partnership may file a statement of  
2701 dissociation stating the name of the partnership and that the partner is dissociated from the  
2702 partnership.

2703 (2) A statement of dissociation is a limitation on the authority of a person dissociated  
2704 as a partner for the purposes of Subsections 48-1d-303(4) and (5).

2705 Section 67. Section **48-1d-805** is enacted to read:

2706 **48-1d-805. Continued use of partnership name.**

2707 Continued use of a partnership name, or name of a person dissociated as a partner as  
2708 part of the partnership name, by partners continuing the business does not of itself make the  
2709 person dissociated as a partner liable for an obligation of the partners or the partnership  
2710 continuing the business.

2711 Section 68. Section **48-1d-901** is enacted to read:

2712 **Part 9. Dissolution and Winding Up**

2713 **48-1d-901. Events causing dissolution.**

2714 A partnership is dissolved, and its activities and affairs must be wound up, upon the  
2715 occurrence of any of the following:

2716 (1) in a partnership at will, the partnership has notice of a person's express will to  
2717 withdraw as a partner, other than a partner that has dissociated under Subsections 48-1d-701(2)

2718 through (10), but, if the person specifies a withdrawal date later than the date the partnership  
2719 had notice, on the later date;

2720 (2) in a partnership for a definite term or particular undertaking:

2721 (a) within 90 days after a person's dissociation by death or otherwise under Subsections  
2722 48-1d-701(6) through (10) or wrongful dissociation under Subsection 48-1d-702(2), the  
2723 affirmative vote or consent of at least half of the remaining partners to wind up the  
2724 partnership's activities and affairs, for which purpose a person's rightful dissociation pursuant  
2725 to Subsection 48-1d-702(2)(b)(i) constitutes the expression of that partner's consent to wind up  
2726 the partnership's activities and affairs;

2727 (b) the express consent of all the partners to wind up the partnership's activities and  
2728 affairs; or

2729 (c) the expiration of the term or the completion of the undertaking;

2730 (3) an event or circumstance that the partnership agreement states causes dissolution;

2731 (4) on application by a partner, the entry by the district court of an order dissolving the  
2732 partnership on the ground that:

2733 (a) the conduct of all or substantially all the partnership's activities and affairs is  
2734 unlawful;

2735 (b) the economic purpose of the partnership is likely to be unreasonably frustrated;

2736 (c) another partner has engaged in conduct relating to the partnership's activities and  
2737 affairs which makes it not reasonably practicable to carry on the business in partnership with  
2738 that partner; or

2739 (d) it is not otherwise reasonably practicable to carry on the partnership's activities and  
2740 affairs in conformity with the partnership agreement;

2741 (5) on application by a transferee, the entry by the district court of an order dissolving  
2742 the partnership on the ground that it is equitable to wind up the partnership's activities and  
2743 affairs;

2744 (a) after the expiration of the term or completion of the undertaking, if the partnership  
2745 was for a definite term or particular undertaking at the time of the transfer or entry of the

2746 charging order that gave rise to the transfer; or

2747 (b) at any time, if the partnership was a partnership at will at the time of the transfer or  
2748 entry of the charging order that gave rise to the transfer; or

2749 (6) the passage of 90 consecutive days during which the partnership does not have at  
2750 least two partners.

2751 Section 69. Section **48-1d-902** is enacted to read:

2752 **48-1d-902. Winding up.**

2753 (1) A dissolved partnership shall wind up its activities and affairs and, except as  
2754 otherwise provided in Section 48-1d-903, the partnership continues after dissolution only for  
2755 the purpose of winding up.

2756 (2) In winding up its activities and affairs, the partnership:

2757 (a) shall discharge the partnership's debts, obligations, and other liabilities, settle and  
2758 close the partnership's activities and affairs, and marshal and distribute the assets of the  
2759 partnership; and

2760 (b) may:

2761 (i) deliver to the division for filing a statement of dissolution stating the name of the  
2762 partnership and that the partnership is dissolved;

2763 (ii) preserve the partnership's activities and affairs and property as a going concern for  
2764 a reasonable time;

2765 (iii) prosecute and defend actions and proceedings, whether civil, criminal, or  
2766 administrative;

2767 (iv) transfer the partnership's property;

2768 (v) settle disputes by mediation or arbitration;

2769 (vi) deliver to the division for filing a statement of termination stating the name of the  
2770 partnership and that the partnership is terminated; and

2771 (vii) perform other acts necessary or appropriate to the winding up.

2772 (3) A person whose dissociation as a partner resulted in dissolution may participate in  
2773 winding up as if still a partner, unless the dissociation was wrongful.

2774 (4) If a dissolved partnership does not have a partner and no person has the right to  
2775 participate in winding up under Subsection (3), the personal or legal representative of the last  
2776 person to have been a partner may wind up the partnership's activities and affairs. If the  
2777 representative does not exercise that right, a person to wind up the partnership's activities and  
2778 affairs may be appointed by the consent of transferees owning a majority of the rights to  
2779 receive distributions at the time the consent is to be effective. A person appointed under this  
2780 Subsection (4) has the powers of a partner under Section 48-1d-904 but is not liable for the  
2781 debts, obligations, and other liabilities of the partnership solely by reason of having or  
2782 exercising those powers or otherwise acting to wind up the partnership's activities and affairs.

2783 (5) On the application of any partner or person entitled under Subsection (3) to  
2784 participate in winding up, the district court may order judicial supervision of the winding up of  
2785 a dissolved partnership, including the appointment of a person to wind up the partnership's  
2786 activities and affairs, if:

2787 (a) the partnership does not have a partner, and within a reasonable time following the  
2788 dissolution no person has been appointed under Subsection (4); or

2789 (b) the applicant establishes other good cause.

2790 Section 70. Section **48-1d-903** is enacted to read:

2791 **48-1d-903. Rescinding dissolution.**

2792 (1) A partnership may rescind its dissolution, unless a statement of termination  
2793 applicable to the partnership is effective or the district court has entered an order under  
2794 Subsection 48-1d-901(4) or (5) dissolving the partnership.

2795 (2) Rescinding dissolution under this section requires:

2796 (a) the affirmative vote or consent of each partner;

2797 (b) if a statement of dissolution applicable to the partnership has been filed by the  
2798 division but has not become effective, delivery to the division for filing of a statement of  
2799 withdrawal under Section 48-1d-114 applicable to the statement of dissolution; and

2800 (c) if a statement of dissolution applicable to the partnership is effective, the delivery to  
2801 the division for filing of a statement of correction under Section 48-1d-115 stating that

2802 dissolution has been rescinded under this section.

2803 (3) If a partnership rescinds its dissolution:

2804 (a) the partnership resumes carrying on its activities and affairs as if dissolution had  
2805 never occurred;

2806 (b) subject to Subsection (3)(c), any liability incurred by the partnership after the  
2807 dissolution and before the rescission is effective is determined as if dissolution had never  
2808 occurred; and

2809 (c) the rights of a third party arising out of conduct in reliance on the dissolution before  
2810 the third party knew or had notice of the rescission may not be adversely affected.

2811 Section 71. Section **48-1d-904** is enacted to read:

2812 **48-1d-904. Power to bind partnership after dissolution.**

2813 (1) A partnership is bound by a partner's act after dissolution which:

2814 (a) is appropriate for winding up the partnership's activities and affairs; or

2815 (b) would have bound the partnership under Section 48-1d-301 before dissolution, if, at  
2816 the time the other party enters into the transaction, the other party does not know or have notice  
2817 of the dissolution.

2818 (2) A person dissociated as a partner binds a partnership through an act occurring after  
2819 dissolution if at the time the other party enters into the transaction:

2820 (a) less than two years has passed since the dissociation;

2821 (b) the other party does not have notice of the dissociation and reasonably believes that  
2822 the person is a partner; and

2823 (c) the act:

2824 (i) is appropriate for winding up the partnership's activities and affairs; or

2825 (ii) would have bound the partnership under Section 48-1d-301 before dissolution, and  
2826 at the time the other party enters into the transaction the other party does not know or have  
2827 notice of the dissolution.

2828 Section 72. Section **48-1d-905** is enacted to read:

2829 **48-1d-905. Liability after dissolution.**

2830 (1) If a partner having knowledge of the dissolution causes a partnership to incur an  
2831 obligation under Subsection 48-1d-904(1) by an act that is not appropriate for winding up the  
2832 partnership's activities and affairs, the partner is liable:

2833 (a) to the partnership for any damage caused to the partnership arising from the  
2834 obligation; and

2835 (b) if another partner or person dissociated as a partner is liable for the obligation, to  
2836 that other partner or person for any damage caused to that other partner or person arising from  
2837 the liability.

2838 (2) If a person dissociated as a partner causes a partnership to incur an obligation under  
2839 Subsection 48-1d-904(2), the person is liable:

2840 (a) to the partnership for any damage caused to the partnership arising from the  
2841 obligation; and

2842 (b) if a partner or another person dissociated as a partner is liable for the obligation, to  
2843 the partner or other person for any damage caused to the partner or other person arising from  
2844 the obligation.

2845 Section 73. Section **48-1d-906** is enacted to read:

2846 **48-1d-906. Disposition of assets in winding up -- When contributions required.**

2847 (1) In winding up its activities and affairs, a partnership shall apply its assets, including  
2848 the contributions required by this section, to discharge the partnership's obligations to creditors,  
2849 including partners that are creditors.

2850 (2) After a partnership complies with Subsection (1), any surplus must be distributed in  
2851 the following order, subject to any charging order in effect under Section 48-1d-604:

2852 (a) to each person owning a transferable interest that reflects contributions made and  
2853 not previously returned, an amount equal to the value of the unreturned contributions; and

2854 (b) among partners in proportion to their respective rights to share in distributions  
2855 immediately before the dissolution of the partnership, except to the extent necessary to comply  
2856 with any transfer effective under Section 48-1d-603.

2857 (3) If a partnership's assets are insufficient to satisfy all its obligations under

2858 Subsection (1), with respect to each unsatisfied obligation incurred when the partnership was  
2859 not a limited liability partnership, the following rules apply:

2860 (a) Each person that was a partner when the obligation was incurred and that has not  
2861 been released from the obligation under Subsections 48-1d-803(3) and (4) shall contribute to  
2862 the partnership to enable the partnership to satisfy the obligation. The contribution due from  
2863 each of those persons is in proportion to the right to receive distributions in the capacity of  
2864 partner in effect for each of those persons when the obligation was incurred.

2865 (b) If a person does not contribute the full amount required under Subsection (3)(a)  
2866 with respect to an unsatisfied obligation of the partnership, the other persons required to  
2867 contribute by Subsection (3)(a) on account of the obligation shall contribute the additional  
2868 amount necessary to discharge the obligation. The additional contribution due from each of  
2869 those other persons is in proportion to the right to receive distributions in the capacity of  
2870 partner in effect for each of those other persons when the obligation was incurred.

2871 (c) If a person does not make the additional contribution required by Subsection (3)(b),  
2872 further additional contributions are determined and due in the same manner as provided in that  
2873 subsection.

2874 (d) A person that makes an additional contribution under Subsection (3)(b) or (3)(c)  
2875 may recover from any person whose failure to contribute under Subsection (3)(a) or (3)(b)  
2876 necessitated the additional contribution. A person may not recover under this Subsection (3)  
2877 more than the amount additionally contributed. A person's liability under this Subsection (3)  
2878 may not exceed the amount the person failed to contribute.

2879 (4) If a partnership does not have sufficient surplus to comply with Subsection (2)(a),  
2880 any surplus must be distributed among the owners of transferable interests in proportion to the  
2881 value of the respective unreturned contributions.

2882 (5) All distributions made under Subsections (2) and (4) must be paid in money.

2883 Section 74. Section **48-1d-907** is enacted to read:

2884 **48-1d-907. Known claims against dissolved limited liability partnership.**

2885 (1) Except as otherwise provided in Subsection (4), a dissolved limited liability

2886 partnership may give notice of a known claim under Subsection (2), which has the effect  
2887 provided in Subsection (3).

2888 (2) A dissolved limited liability partnership may in a record notify its known claimants  
2889 of the dissolution. The notice must:

2890 (a) specify the information required to be included in a claim;

2891 (b) state that the claim must be in writing and provide a mailing address to which the  
2892 claim is to be sent;

2893 (c) state the deadline for receipt of a claim, which may not be less than 120 days after  
2894 the date of the notice is received by the claimant;

2895 (d) state that the claim will be barred if not received by the deadline; and

2896 (e) unless the partnership has been throughout its existence a limited liability  
2897 partnership, state that the barring of a claim against the partnership will also bar any  
2898 corresponding claim against any partner or person dissociated as a partner which is based on  
2899 Section 48-1d-305.

2900 (3) A claim against a dissolved limited liability partnership is barred if the  
2901 requirements of Subsection (2) are met and:

2902 (a) the claim is not received by the specified deadline; or

2903 (b) if the claim is timely received but rejected by the limited liability partnership:

2904 (i) the partnership causes the claimant to receive a notice in a record stating that the  
2905 claim is rejected and will be barred unless the claimant commences an action against the  
2906 partnership to enforce the claim not later than 90 days after the claimant receives the notice;  
2907 and

2908 (ii) the claimant does not commence the required action not later than 90 days after the  
2909 claimant receives the notice.

2910 (4) This section does not apply to a claim based on an event occurring after the  
2911 effective date of dissolution or a liability that on that date is contingent.

2912 Section 75. Section **48-1d-908** is enacted to read:

2913 **48-1d-908. Other claims against dissolved limited liability partnership.**

2914 (1) A dissolved limited liability partnership may publish notice of its dissolution and  
2915 request persons having claims against the dissolved limited liability partnership to present them  
2916 in accordance with the notice.

2917 (2) A notice under Subsection (1) must:

2918 (a) be published at least once in a newspaper of general circulation in the county in this  
2919 state in which the dissolved limited liability partnership's principal office is located or, if the  
2920 principal office is not located in this state, in the county in which the office of the dissolved  
2921 limited liability partnership's registered agent is or was last located and in accordance with  
2922 Section 45-1-101;

2923 (b) describe the information required to be contained in a claim, state that the claim  
2924 must be in writing, and provide a mailing address to which the claim is to be sent;

2925 (c) state that a claim against the dissolved limited liability partnership is barred unless  
2926 an action to enforce the claim is commenced not later than three years after publication of the  
2927 notice; and

2928 (d) unless the dissolved limited liability partnership has been throughout its existence a  
2929 limited liability partnership, state that the barring of a claim against the dissolved limited  
2930 liability partnership will also bar any corresponding claim against any partner or person  
2931 dissociated as a partner which is based on Section 48-1d-306.

2932 (3) If a dissolved limited liability partnership publishes a notice in accordance with  
2933 Subsection (2), the claim of each of the following claimants is barred unless the claimant  
2934 commences an action to enforce the claim against the dissolved limited liability partnership not  
2935 later than three years after the publication date of the notice:

2936 (a) a claimant that did not receive notice in a record under Section 48-1d-907;

2937 (b) a claimant whose claim was timely sent to the partnership but not acted on; and

2938 (c) a claimant whose claim is contingent at, or based on an event occurring after, the  
2939 effective date of dissolution.

2940 (4) A claim not barred under this section or Section 48-1d-907 may be enforced:

2941 (a) against a dissolved limited liability partnership, to the extent of its undistributed

2942 assets;

2943 (b) except as otherwise provided in Section 48-1d-909, if assets of the dissolved  
2944 limited liability partnership have been distributed after dissolution, against a partner or  
2945 transferee to the extent of that person's proportionate share of the claim or of the dissolved  
2946 limited liability partnership's assets distributed to the partner or transferee after dissolution,  
2947 whichever is less, but a person's total liability for all claims under this subsection may not  
2948 exceed the total amount of assets distributed to the person after dissolution; and

2949 (c) against any person liable on the claim under Sections 48-1d-306, 48-1d-803, and  
2950 48-1d-905.

2951 Section 76. Section **48-1d-909** is enacted to read:

2952 **48-1d-909. Court proceedings.**

2953 (1) A dissolved limited liability partnership that has published a notice under Section  
2954 48-1d-908 may file an application with the district court in the county where the dissolved  
2955 limited liability partnership's principal office is located or, if the principal office is not located  
2956 in this state, where the office of its registered agent is located, for a determination of the  
2957 amount and form of security to be provided for payment of claims that are contingent, have not  
2958 been made known to the dissolved limited liability partnership, or are based on an event  
2959 occurring after the effective date of dissolution but which, based on the facts known to the  
2960 dissolved limited liability partnership, are reasonably expected to arise after the effective date  
2961 of dissolution. Security is not required for any claim that is or is reasonably anticipated to be  
2962 barred under Subsection 48-1d-907(3).

2963 (2) Not later than 10 days after the filing of an application under Subsection (1), the  
2964 dissolved limited liability partnership shall give notice of the proceeding to each claimant  
2965 holding a contingent claim known to the dissolved limited liability partnership.

2966 (3) In any proceeding under this section, the district court may appoint a guardian ad  
2967 litem to represent all claimants whose identities are unknown. The reasonable fees and  
2968 expenses of the guardian, including all reasonable expert witness fees, must be paid by the  
2969 dissolved limited liability partnership.

2970           (4) A dissolved limited liability partnership that provides security in the amount and  
2971 form ordered by the district court under Subsection (1) satisfies the dissolved limited liability  
2972 partnership's obligations with respect to claims that are contingent, have not been made known  
2973 to the dissolved limited liability partnership, or are based on an event occurring after the  
2974 effective date of dissolution, and the claims may not be enforced against a partner or transferee  
2975 who receives assets in liquidation.

2976           (5) This section applies only to a debt, obligation, or other liability incurred while a  
2977 partnership was a limited liability partnership.

2978           Section 77. Section **48-1d-910** is enacted to read:

2979           **48-1d-910. Liability of partner and person dissociation as partner when claim**  
2980 **against limited liability partnership is barred.**

2981           If a claim against a dissolved limited liability partnership is barred under Section  
2982 48-1d-907, 48-1d-908, or 48-1d-909, any corresponding claim under Section 48-1d-306,  
2983 48-1d-803, or 48-1d-905 is also barred.

2984           Section 78. Section **48-1d-1001** is enacted to read:

2985                   **Part 10. Merger, Interest Exchange, Conversion, and Domestication.**

2986                   **48-1d-1001. Definitions.**

2987                   In this part:

2988                   (1) "Acquired entity" means the entity, all of one or more classes or series of interests  
2989 in which are acquired in an interest exchange.

2990                   (2) "Acquiring entity" means the entity that acquires all of one or more classes or series  
2991 of interests of the acquired entity in an interest exchange.

2992                   (3) "Conversion" means a transaction authorized by Sections 48-1d-1041 through  
2993 48-1d-1046.

2994                   (4) "Converted entity" means the converting entity as it continues in existence after a  
2995 conversion.

2996                   (5) "Converting entity" means the domestic entity that approves a plan of conversion  
2997 pursuant to Section 48-1d-1043 or the foreign entity that approves a conversion pursuant to the

2998 law of its jurisdiction of formation.

2999       (6) "Distributional interest" means the right under an unincorporated entity's organic  
3000 law and organic rules to receive distributions from the entity.

3001       (7) "Domestic," with respect to an entity, means governed as to its internal affairs by  
3002 the law of this state.

3003       (8) "Domesticated limited liability partnership" means a domesticating limited liability  
3004 partnership as it continues in existence after a domestication.

3005       (9) "Domesticating limited liability partnership" means a domestic limited liability  
3006 partnership that approves a plan of domestication pursuant to Section 48-1d-1053 or foreign  
3007 limited liability partnership that approves a domestication pursuant to the law of its jurisdiction  
3008 of formation.

3009       (10) "Domestication" means a transaction authorized by Sections 48-1d-1051 through  
3010 48-1d-1056.

3011       (11) "Entity":

3012       (a) means:

3013       (i) a business corporation;

3014       (ii) a nonprofit corporation;

3015       (iii) a general partnership, including a limited liability partnership;

3016       (iv) a limited partnership, including a limited liability limited partnership;

3017       (v) a limited liability company;

3018       (vi) a limited cooperative association;

3019       (vii) an unincorporated nonprofit association;

3020       (viii) a statutory trust, business trust, or common-law business trust; or

3021       (ix) any other person that has:

3022       (A) a legal existence separate from any interest holder of that person; or

3023       (B) the power to acquire an interest in real property in its own name; and

3024       (b) does not include:

3025       (i) an individual;

- 3026 (ii) a trust with a predominantly donative purpose, or a charitable trust;
- 3027 (iii) an association or relationship that is not a partnership solely by reason of
- 3028 Subsection 48-1d-202(3) or a similar provision of the law of another jurisdiction;
- 3029 (iv) a decedent's estate; or
- 3030 (v) a government or a governmental subdivision, agency, or instrumentality.
- 3031 (12) "Filing entity" means an entity whose formation requires the filing of a public
- 3032 organic record.
- 3033 (13) "Foreign," with respect to an entity, means an entity governed as to its internal
- 3034 affairs by the law of a jurisdiction other than this state.
- 3035 (14) "Governance interest" means a right under the organic law or organic rules of an
- 3036 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:
- 3037 (a) receive or demand access to information concerning, or the books and records of,
- 3038 the entity;
- 3039 (b) vote for or consent to the election of the governors of the entity; or
- 3040 (c) receive notice of or vote on or consent to an issue involving the internal affairs of
- 3041 the entity.
- 3042 (15) "Governor" means:
- 3043 (a) a director of a business corporation;
- 3044 (b) a director or trustee of a nonprofit corporation;
- 3045 (c) a general partner of a general partnership;
- 3046 (d) a general partner of a limited partnership;
- 3047 (e) a manager of a manager-managed limited liability company;
- 3048 (f) a member of a member-managed limited liability company;
- 3049 (g) a director of a limited cooperative association;
- 3050 (h) a manager of an unincorporated nonprofit association;
- 3051 (i) a trustee of a statutory trust, business trust, or common-law business trust; or
- 3052 (j) any other person under whose authority the powers of an entity are exercised and
- 3053 under whose direction the activities and affairs of the entity are managed pursuant to the

3054 organic law and organic rules of the entity.

3055 (16) "Interest" means:

3056 (a) a share in a business corporation;

3057 (b) a membership in a nonprofit corporation;

3058 (c) a partnership interest in a general partnership;

3059 (d) a partnership interest in a limited partnership;

3060 (e) a membership interest in a limited liability company;

3061 (f) a member's interest in a limited cooperative association;

3062 (g) a membership in an unincorporated nonprofit association;

3063 (h) a beneficial interest in a statutory trust, business trust, or common-law business

3064 trust; or

3065 (i) a governance interest or distributional interest in any other type of unincorporated

3066 entity.

3067 (17) "Interest exchange" means a transaction authorized by Sections 48-1d-1031

3068 through 48-1d-1036.

3069 (18) "Interest holder" means:

3070 (a) a shareholder of a business corporation;

3071 (b) a member of a nonprofit corporation;

3072 (c) a general partner of a general partnership;

3073 (d) a general partner of a limited partnership;

3074 (e) a limited partner of a limited partnership;

3075 (f) a member of a limited liability company;

3076 (g) a member of a limited cooperative association;

3077 (h) a member of an unincorporated nonprofit association;

3078 (i) a beneficiary or beneficial owner of a statutory trust, business trust, or common-law

3079 business trust; or

3080 (j) any other direct holder of an interest.

3081 (19) "Interest holder liability" means:

- 3082           (a) personal liability for a liability of an entity which is imposed on a person:  
3083           (i) solely by reason of the status of the person as an interest holder; or  
3084           (ii) by the organic rules of the entity which make one or more specified interest holders  
3085 or categories of interest holders liable in their capacity as interest holders for all or specified  
3086 liabilities of the entity; or  
3087           (b) an obligation of an interest holder under the organic rules of an entity to contribute  
3088 to the entity.  
3089           (20) "Jurisdiction of formation" means the jurisdiction whose law includes the organic  
3090 law of an entity.  
3091           (21) "Merger" means a transaction authorized by Sections 48-1d-1021 through  
3092 48-1d-1026.  
3093           (22) "Merging entity" means an entity that is a party to a merger and exists  
3094 immediately before the merger becomes effective.  
3095           (23) "Organic law" means the law of an entity's jurisdiction of formation governing the  
3096 internal affairs of the entity.  
3097           (24) "Organic rules" means the public organic record and private organic rules of an  
3098 entity.  
3099           (25) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or  
3100 plan of domestication.  
3101           (26) "Plan of conversion" means a plan under Section 48-1d-1042.  
3102           (27) "Plan of domestication" means a plan under Section 48-1d-1052.  
3103           (28) "Plan of interest exchange" means a plan under Section 48-1d-1032.  
3104           (29) "Plan of merger" means a plan under Section 48-1d-1022.  
3105           (30) "Private organic rules" means the rules, whether or not in a record, that govern the  
3106 internal affairs of an entity, are binding on all its interest holders, and are not part of its public  
3107 organic record, if any. The term includes:  
3108           (a) the bylaws of a business corporation;  
3109           (b) the bylaws of a nonprofit corporation;

- 3110 (c) the partnership agreement of a general partnership;  
3111 (d) the partnership agreement of a limited partnership;  
3112 (e) the operating agreement of a limited liability company;  
3113 (f) the bylaws of a limited cooperative association;  
3114 (g) the governing principles of an unincorporated nonprofit association; and  
3115 (h) the trust instrument of a statutory trust or similar rules of a business trust or  
3116 common-law business trust.
- 3117 (31) "Protected agreement" means:  
3118 (a) a record evidencing indebtedness and any related agreement in effect on January 1,  
3119 2014;  
3120 (b) an agreement that is binding on an entity on January 1, 2014;  
3121 (c) the organic rules of an entity in effect on January 1, 2014; or  
3122 (d) an agreement that is binding on any of the governors or interest holders of an entity  
3123 on January 1, 2014.
- 3124 (32) "Public organic record" means the record the filing of which by the division is  
3125 required to form an entity and any amendment to or restatement of that record. The term  
3126 includes:  
3127 (a) the articles of incorporation of a business corporation;  
3128 (b) the articles of incorporation of a nonprofit corporation;  
3129 (c) the certificate of limited partnership of a limited partnership;  
3130 (d) the certificate of organization of a limited liability company;  
3131 (e) the articles of organization of a limited cooperative association; and  
3132 (f) the certificate of trust of a statutory trust or similar record of a business trust.
- 3133 (33) "Registered foreign entity" means a foreign entity that is registered to do business  
3134 in this state pursuant to a record filed by the division.
- 3135 (34) "Statement of conversion" means a statement under Section 48-1d-1045.  
3136 (35) "Statement of domestication" means a statement under Section 48-1d-1055.  
3137 (36) "Statement of interest exchange" means a statement under Section 48-1d-1035.

3138           (37) "Statement of merger" means a statement under Section 48-1d-1025.  
3139           (38) "Surviving entity" means an entity that continues in existence after or is created by  
3140 a merger.  
3141           (39) "Type of entity" means a generic form of entity:  
3142           (a) recognized at common law; or  
3143           (b) formed under an organic law, whether or not some entities formed under that  
3144 organic law are subject to provisions of that law that create different categories of the form of  
3145 entity.  
3146           Section 79. Section **48-1d-1002** is enacted to read:  
3147           **48-1d-1002. Relationship of part to other laws.**  
3148           This part does not authorize an act prohibited by, and does not affect the application or  
3149 requirements of, law other than this part.  
3150           Section 80. Section **48-1d-1003** is enacted to read:  
3151           **48-1d-1003. Required notice or approval.**  
3152           (1) A domestic or foreign entity that is required to give notice to, or obtain the approval  
3153 of, a governmental agency or officer of this state to be a party to a merger must give the notice  
3154 or obtain the approval to be a party to an interest exchange, conversion, or domestication.  
3155           (2) Property held for a charitable purpose under the law of this state by a domestic or  
3156 foreign entity immediately before a transaction under this part becomes effective may not, as a  
3157 result of the transaction, be diverted from the objects for which it was donated, granted,  
3158 devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this  
3159 state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity  
3160 obtains an appropriate order of the district court specifying the disposition of the property.  
3161           (3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of  
3162 donation, subscription, or conveyance that is made to a merging entity that is not the surviving  
3163 entity and that takes effect or remains payable after the merger inures to the surviving entity. A  
3164 trust obligation that would govern property if transferred to the nonsurviving entity applies to  
3165 property that is transferred to the surviving entity under this section.

3166 Section 81. Section **48-1d-1004** is enacted to read:

3167 **48-1d-1004. Status of filings.**

3168 A filing under this part signed by a domestic entity becomes part of the public organic  
3169 record of the entity if the entity's organic law provides that similar filings under that law  
3170 become part of the public organic record of the entity.

3171 Section 82. Section **48-1d-1005** is enacted to read:

3172 **48-1d-1005. Nonexclusivity.**

3173 The fact that a transaction under this part produces a certain result does not preclude the  
3174 same result from being accomplished in any other manner permitted by law other than this part.

3175 Section 83. Section **48-1d-1006** is enacted to read:

3176 **48-1d-1006. Reference to external facts.**

3177 A plan may refer to facts ascertainable outside the plan if the manner in which the facts  
3178 will operate upon the plan is specified in the plan. The facts may include the occurrence of an  
3179 event or a determination or action by a person, whether or not the event, determination, or  
3180 action is within the control of a party to the transaction.

3181 Section 84. Section **48-1d-1007** is enacted to read:

3182 **48-1d-1007. Alternative means of approval of transactions.**

3183 Except as otherwise provided in the organic law or organic rules of a domestic entity,  
3184 approval of a transaction under this part by the unanimous vote or consent of its interest  
3185 holders satisfies the requirements of this part for approval of the transaction.

3186 Section 85. Section **48-1d-1008** is enacted to read:

3187 **48-1d-1008. Appraisal rights.**

3188 (1) An interest holder of a domestic merging, acquired, converting, or domesticating  
3189 entity is entitled to appraisal rights in connection with the transaction if the interest holder  
3190 would have been entitled to appraisal rights under the entity's organic law in connection with a  
3191 merger in which the interest of the interest holder was changed, converted, or exchanged  
3192 unless:

3193 (a) the organic law permits the organic rules to limit the availability of appraisal rights;

3194 and

3195 (b) the organic rules provide such a limit.

3196 (2) An interest holder of a domestic merging, acquired, converting, or domesticating  
3197 entity is entitled to contractual appraisal rights in connection with a transaction under this part  
3198 to the extent provided in:

3199 (a) the entity's organic rules; or

3200 (b) the plan.

3201 Section 86. Section **48-1d-1021** is enacted to read:

3202 **48-1d-1021. Merger authorized.**

3203 (1) By complying with Sections 48-1d-1021 through 48-1d-1026:

3204 (a) one or more domestic partnerships may merge with one or more domestic or  
3205 foreign entities into a domestic or foreign surviving entity; and

3206 (b) two or more foreign entities may merge into a domestic partnership.

3207 (2) By complying with the provisions of Sections 48-1d-1021 through 48-1d-1026  
3208 applicable to foreign entities, a foreign entity may be a party to a merger under Sections  
3209 48-1d-1021 through 48-1d-1026 or may be the surviving entity in such a merger if the merger  
3210 is authorized by the law of the foreign entity's jurisdiction of formation.

3211 Section 87. Section **48-1d-1022** is enacted to read:

3212 **48-1d-1022. Plan of merger.**

3213 (1) A domestic partnership may become a party to a merger under Sections 48-1d-1021  
3214 through 48-1d-1026 by approving a plan of merger. The plan must be in a record and contain:

3215 (a) as to each merging entity, its name, jurisdiction of formation, and type of entity;

3216 (b) if the surviving entity is to be created in the merger, a statement to that effect and  
3217 the entity's name, jurisdiction of formation, and type of entity;

3218 (c) the manner of converting the interests in each party to the merger into interests,  
3219 securities, obligations, money, other property, rights to acquire interests or securities, or any  
3220 combination of the foregoing;

3221 (d) if the surviving entity exists before the merger, any proposed amendments to its

3222 public organic record, if any, or to its private organic rules that are, or are proposed to be, in a  
3223 record;

3224 (e) if the surviving entity is to be created in the merger, its proposed public organic  
3225 record, if any, and the full text of its private organic rules that are proposed to be in a record;

3226 (f) the other terms and conditions of the merger; and

3227 (g) any other provision required by the law of a merging entity's jurisdiction of  
3228 formation or the organic rules of a merging entity.

3229 (2) In addition to the requirements of Subsection (1), a plan of merger may contain any  
3230 other provision not prohibited by law.

3231 Section 88. Section **48-1d-1023** is enacted to read:

3232 **48-1d-1023. Approval of merger.**

3233 (1) A plan of merger is not effective unless it has been approved:

3234 (a) by a domestic merging partnership, by all the partners of the partnership entitled to  
3235 vote on or consent to any matter; and

3236 (b) in a record, by each partner of a domestic merging partnership that will have  
3237 interest holder liability for debts, obligations, and other liabilities that arise after the merger  
3238 becomes effective, unless:

3239 (i) the partnership agreement of the partnership provides in a record for the approval of  
3240 a merger in which some or all of its partners become subject to interest holder liability by the  
3241 vote or consent of fewer than all the partners; and

3242 (ii) the partner consented in a record to or voted for that provision of the partnership  
3243 agreement or became a partner after the adoption of that provision.

3244 (2) A merger involving a domestic merging entity that is not a partnership is not  
3245 effective unless the merger is approved by that entity in accordance with its organic law.

3246 (3) A merger involving a foreign merging entity is not effective unless the merger is  
3247 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
3248 formation.

3249 Section 89. Section **48-1d-1024** is enacted to read:

3250 **48-1d-1024. Amendment or abandonment of plan of merger.**

3251 (1) A plan of merger may be amended only with the consent of each party to the plan,  
3252 except as otherwise provided in the plan.

3253 (2) A domestic merging partnership may approve an amendment of a plan of merger:

3254 (a) in the same manner as the plan was approved, if the plan does not provide for the  
3255 manner in which it may be amended; or

3256 (b) by the partners in the manner provided in the plan, but a partner that was entitled to  
3257 vote on or consent to approval of the merger is entitled to vote on or consent to any amendment  
3258 of the plan that will change:

3259 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
3260 to acquire interests or securities, or any combination of the foregoing, to be received by the  
3261 interest holders of any party to the plan;

3262 (ii) the public organic record, if any, or private organic rules of the surviving entity that  
3263 will be in effect immediately after the merger becomes effective, except for changes that do not  
3264 require approval of the interest holders of the surviving entity under its organic law or organic  
3265 rules; or

3266 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
3267 partner in any material respect.

3268 (3) After a plan of merger has been approved and before a statement of merger  
3269 becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by  
3270 the plan, a domestic merging partnership may abandon the plan in the same manner as the plan  
3271 was approved.

3272 (4) If a plan of merger is abandoned after a statement of merger has been delivered to  
3273 the division for filing and before the statement of merger becomes effective, a statement of  
3274 abandonment, signed by a party to the plan, must be delivered to the division for filing before  
3275 the statement of merger becomes effective. The statement of abandonment takes effect on  
3276 filing, and the merger is abandoned and does not become effective. The statement of  
3277 abandonment must contain:

- 3278 (a) the name of each party to the plan of merger;  
3279 (b) the date on which the statement of merger was delivered to the division for filing;  
3280 and  
3281 (c) a statement that the merger has been abandoned in accordance with this section.  
3282 Section 90. Section **48-1d-1025** is enacted to read:  
3283 **48-1d-1025. Statement of merger.**  
3284 (1) A statement of merger must be signed by each merging entity and delivered to the  
3285 division for filing.  
3286 (2) A statement of merger must contain:  
3287 (a) the name, jurisdiction of formation, and type of entity of each merging entity that is  
3288 not the surviving entity;  
3289 (b) the name, jurisdiction of formation, and type of entity of the surviving entity;  
3290 (c) a statement that the merger was approved by each domestic merging entity, if any,  
3291 in accordance with Sections 48-1d-1021 through 48-1d-1026 and by each foreign merging  
3292 entity, if any, in accordance with the law of its jurisdiction of formation;  
3293 (d) if the surviving entity exists before the merger and is a domestic filing entity, any  
3294 amendment to its public organic record approved as part of the plan of merger;  
3295 (e) if the surviving entity is created by the merger and is a domestic filing entity, its  
3296 public organic record, as an attachment;  
3297 (f) if the surviving entity is created by the merger and is a domestic limited liability  
3298 partnership, its statement of qualification, as an attachment; and  
3299 (g) if the surviving entity is a foreign entity that is not a registered foreign entity, a  
3300 mailing address to which the division may send any process served on the division pursuant to  
3301 Subsection 48-1d-1026(5).  
3302 (3) In addition to the requirements of Subsection (2), a statement of merger may  
3303 contain any other provision not prohibited by law.  
3304 (4) If the surviving entity is a domestic entity, its public organic record, if any, must  
3305 satisfy the requirements of the law of this state, except that the public organic record does not

3306 need to be signed.

3307 (5) A plan of merger that is signed by all the merging entities and meets all the  
3308 requirements of Subsection (2) may be delivered to the division for filing instead of a statement  
3309 of merger and on filing has the same effect. If a plan of merger is filed as provided in this  
3310 Subsection (5), references in this part to a statement of merger refer to the plan of merger filed  
3311 under this Subsection (5).

3312 Section 91. Section **48-1d-1026** is enacted to read:

3313 **48-1d-1026. Effect of merger.**

3314 (1) When a merger becomes effective:

3315 (a) the surviving entity continues or comes into existence;

3316 (b) each merging entity that is not the surviving entity ceases to exist;

3317 (c) all property of each merging entity vests in the surviving entity without transfer,  
3318 reversion, or impairment;

3319 (d) all debts, obligations, and other liabilities of each merging entity are debts,  
3320 obligations, and liabilities of the surviving entity;

3321 (e) except as otherwise provided by law or the plan of merger, all the rights, privileges,  
3322 immunities, powers, and purposes of each merging entity vest in the surviving entity;

3323 (f) if the surviving entity exists before the merger:

3324 (i) all its property continues to be vested in it without transfer, reversion, or  
3325 impairment;

3326 (ii) it remains subject to all its debts, obligations, and other liabilities; and

3327 (iii) all its rights, privileges, immunities, powers, and purposes continue to be vested in  
3328 it;

3329 (g) the name of the surviving entity may be substituted for the name of any merging  
3330 entity that is a party to any pending action or proceeding;

3331 (h) if the surviving entity exists before the merger:

3332 (i) its public organic record, if any, is amended as provided in the statement of merger;  
3333 and

3334 (ii) its private organic rules that are to be in a record, if any, are amended to the extent  
3335 provided in the plan of merger;

3336 (i) if the surviving entity is created by the merger:

3337 (i) its public organic record, if any, is effective; and

3338 (ii) its private organic rules are effective; and

3339 (j) the interests in each merging entity which are to be converted in the merger are  
3340 converted, and the interest holders of those interests are entitled only to the rights provided to  
3341 them under the plan of merger and to any appraisal rights they have under Section 48-1d-1008  
3342 and the merging entity's organic law.

3343 (2) Except as otherwise provided in the organic law or organic rules of a merging  
3344 entity, the merger does not give rise to any rights that an interest holder, governor, or third  
3345 party would have upon a dissolution, liquidation, or winding up of the merging entity.

3346 (3) When a merger becomes effective, a person that did not have interest holder  
3347 liability with respect to any of the merging entities and becomes subject to interest holder  
3348 liability with respect to a domestic entity as a result of the merger has interest holder liability  
3349 only to the extent provided by the organic law of that entity and only for those debts,  
3350 obligations, and other liabilities that arise after the merger becomes effective.

3351 (4) When a merger becomes effective, the interest holder liability of a person that  
3352 ceases to hold an interest in a domestic merging entity with respect to which the person had  
3353 interest holder liability is as follows:

3354 (a) The merger does not discharge any interest holder liability under the organic law of  
3355 the domestic merging entity to the extent the interest holder liability arose before the merger  
3356 became effective.

3357 (b) The person does not have interest holder liability under the organic law of the  
3358 domestic merging entity for any debt, obligation, or other liability that arises after the merger  
3359 becomes effective.

3360 (c) The organic law of the domestic merging entity continues to apply to the release,  
3361 collection, or discharge of any interest holder liability preserved under Subsection (4)(a) as if

3362 the merger had not occurred and the surviving entity were the domestic merging entity.

3363 (d) The person has whatever rights of contribution from any other person as are  
3364 provided by law other than this chapter, this chapter, or the organic rules of the domestic  
3365 merging entity with respect to any interest holder liability preserved under Subsection (4)(a) as  
3366 if the merger had not occurred.

3367 (5) When a merger becomes effective, a foreign entity that is the surviving entity may  
3368 be served with process in this state for the collection and enforcement of any debts, obligations,  
3369 or other liabilities of a domestic merging entity as provided in Section 16-17-301.

3370 (6) When a merger becomes effective, the registration to do business in this state of  
3371 any foreign merging entity that is not the surviving entity is canceled.

3372 Section 92. Section **48-1d-1031** is enacted to read:

3373 **48-1d-1031. Interest exchange authorized.**

3374 (1) By complying with Sections 48-1d-1031 through 48-1d-1036:

3375 (a) a domestic partnership may acquire all of one or more classes or series of interests  
3376 of another domestic or foreign entity in exchange for interests, securities, obligations, money,  
3377 other property, rights to acquire interests or securities, or any combination of the foregoing; or

3378 (b) all of one or more classes or series of interests of a domestic partnership may be  
3379 acquired by another domestic or foreign entity in exchange for interests, securities, obligations,  
3380 money, other property, rights to acquire interests or securities, or any combination of the  
3381 foregoing.

3382 (2) By complying with the provisions of Sections 48-1d-1031 through 48-1d-1036  
3383 applicable to foreign entities, a foreign entity may be the acquiring or acquired entity in an  
3384 interest exchange under Sections 48-1d-1031 through 48-1d-1036 if the interest exchange is  
3385 authorized by the law of the foreign entity's jurisdiction of formation.

3386 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
3387 partnership but does not refer to an interest exchange, the provision applies to an interest  
3388 exchange in which the domestic partnership is the acquired entity as if the interest exchange  
3389 were a merger until the provision is amended after January 1, 2014.

3390 Section 93. Section **48-1d-1032** is enacted to read:

3391 **48-1d-1032. Plan of interest exchange.**

3392 (1) A domestic partnership may be the acquired entity in an interest exchange under  
3393 Sections 48-1d-1031 through 48-1d-1036 by approving a plan of interest exchange. The plan  
3394 must be in a record and contain:

3395 (a) the name of the acquired entity;

3396 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;

3397 (c) the manner of converting the interests in the acquired entity into interests,  
3398 securities, obligations, money, other property, rights to acquire interests or securities, or any  
3399 combination of the foregoing;

3400 (d) any proposed amendments to the partnership agreement that are, or are proposed to  
3401 be, in a record of the acquired entity;

3402 (e) the other terms and conditions of the interest exchange; and

3403 (f) any other provision required by the law of this state or the partnership agreement of  
3404 the acquired entity.

3405 (2) In addition to the requirements of Subsection (1), a plan of interest exchange may  
3406 contain any other provision not prohibited by law.

3407 Section 94. Section **48-1d-1033** is enacted to read:

3408 **48-1d-1033. Approval of interest exchange.**

3409 (1) A plan of interest exchange is not effective unless it has been approved:

3410 (a) by all the partners of a domestic acquired partnership entitled to vote on or consent  
3411 to any matter; and

3412 (b) in a record, by each partner of the domestic acquired partnership that will have  
3413 interest holder liability for debts, obligations, and other liabilities that arise after the interest  
3414 exchange becomes effective, unless:

3415 (i) the partnership agreement of the partnership provides in a record for the approval of  
3416 an interest exchange or a merger in which some or all its partners become subject to interest  
3417 holder liability by the vote or consent of fewer than all the partners; and

3418 (ii) the partner consented in a record to or voted for that provision of the partnership  
3419 agreement or became a partner after the adoption of that provision.

3420 (2) An interest exchange involving a domestic acquired entity that is not a partnership  
3421 is not effective unless it is approved by the domestic entity in accordance with its organic law.

3422 (3) An interest exchange involving a foreign acquired entity is not effective unless it is  
3423 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
3424 formation.

3425 (4) Except as otherwise provided in its organic law or organic rules, the interest holders  
3426 of the acquiring entity are not required to approve the interest exchange.

3427 Section 95. Section **48-1d-1034** is enacted to read:

3428 **48-1d-1034. Amendment or abandonment of plan of interest exchange.**

3429 (1) A plan of interest exchange may be amended only with the consent of each party to  
3430 the plan, except as otherwise provided in the plan.

3431 (2) A domestic acquired partnership may approve an amendment of a plan of interest  
3432 exchange:

3433 (a) in the same manner as the plan was approved, if the plan does not provide for the  
3434 manner in which it may be amended; or

3435 (b) by the partners of the acquired partnership in the manner provided in the plan, but a  
3436 partner that was entitled to vote on or consent to approval of the interest exchange is entitled to  
3437 vote on or consent to any amendment of the plan that will change:

3438 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
3439 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
3440 the partners of the acquired partnership under the plan;

3441 (ii) the partnership agreement of the acquired partnership that will be in effect  
3442 immediately after the interest exchange becomes effective, except for changes that do not  
3443 require approval of the partners of the acquired partnership under this chapter or the  
3444 partnership agreement; or

3445 (iii) any other terms or conditions of the plan, if the change would adversely affect the

3446 partner in any material respect.

3447 (3) After a plan of interest exchange has been approved and before a statement of  
3448 interest exchange becomes effective, the plan may be abandoned as provided in the plan.

3449 Unless prohibited by the plan, a domestic acquired partnership may abandon the plan in the  
3450 same manner as the plan was approved.

3451 (4) If a plan of interest exchange is abandoned after a statement of interest exchange  
3452 has been delivered to the division for filing and before the statement becomes effective, a  
3453 statement of abandonment, signed by the acquired partnership, must be delivered to the  
3454 division for filing before the statement of interest exchange becomes effective. The statement  
3455 of abandonment takes effect on filing, and the interest exchange is abandoned and does not  
3456 become effective. The statement of abandonment must contain:

3457 (a) the name of the acquired partnership;

3458 (b) the date on which the statement of interest exchange was delivered to the division  
3459 for filing; and

3460 (c) a statement that the interest exchange has been abandoned in accordance with this  
3461 section.

3462 Section 96. Section **48-1d-1035** is enacted to read:

3463 **48-1d-1035. Statement of interest exchange.**

3464 (1) A statement of interest exchange must be signed by a domestic acquired partnership  
3465 and delivered to the division for filing.

3466 (2) A statement of interest exchange must contain:

3467 (a) the name of the acquired partnership;

3468 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity; and

3469 (c) a statement that the plan of interest exchange was approved by the acquired entity  
3470 in accordance with Sections 48-1d-1031 through 48-1d-1036.

3471 (3) In addition to the requirements of Subsection (2), a statement of interest exchange  
3472 may contain any other provision not prohibited by law.

3473 (4) A plan of interest exchange that is signed by a domestic acquired partnership and

3474 meets all the requirements of Subsection (2) may be delivered to the division for filing instead  
3475 of a statement of interest exchange and on filing has the same effect. If a plan of interest  
3476 exchange is filed as provided in this subsection, references in this part to a statement of interest  
3477 exchange refer to the plan of interest exchange filed under this Subsection (4).

3478 Section 97. Section **48-1d-1036** is enacted to read:

3479 **48-1d-1036. Effect of interest exchange.**

3480 (1) When an interest exchange in which the acquired entity is a domestic partnership  
3481 becomes effective:

3482 (a) the interests in the domestic acquired partnership that are the subject of the interest  
3483 exchange cease to exist or are converted or exchanged, and the partners holding those interests  
3484 are entitled only to the rights provided to them under the plan of interest exchange and to any  
3485 appraisal rights they have under Section 48-1d-1008;

3486 (b) the acquiring entity becomes the interest holder of the interests in the acquired  
3487 partnership stated in the plan of interest exchange to be acquired by the acquiring entity; and

3488 (c) the provisions of the partnership agreement of the acquired partnership that are to  
3489 be in a record, if any, are amended to the extent provided in the plan of interest exchange.

3490 (2) Except as otherwise provided in the partnership agreement of a domestic acquired  
3491 partnership, the interest exchange does not give rise to any rights that a partner or third party  
3492 would have upon a dissolution, liquidation, or winding up of the acquired partnership.

3493 (3) When an interest exchange becomes effective, a person that did not have interest  
3494 holder liability with respect to a domestic acquired partnership and becomes subject to interest  
3495 holder liability with respect to a domestic entity as a result of the interest exchange has interest  
3496 holder liability only to the extent provided by the organic law of the entity and only for those  
3497 debts, obligations, and other liabilities that arise after the interest exchange becomes effective.

3498 (4) When an interest exchange becomes effective, the interest holder liability of a  
3499 person that ceases to hold an interest in a domestic acquired partnership with respect to which  
3500 the person had interest holder liability is as follows:

3501 (a) The interest exchange does not discharge any interest holder liability to the extent

3502 the interest holder liability arose before the interest exchange became effective.

3503 (b) The person does not have interest holder liability for any debt, obligation, or other  
3504 liability that arises after the interest exchange becomes effective.

3505 (c) The person has whatever rights of contribution from any other person as are  
3506 provided by law other than this chapter, this chapter, or the partnership agreement of the  
3507 acquired entity with respect to any interest holder liability preserved under Subsection (4)(a) as  
3508 if the interest exchange had not occurred.

3509 Section 98. Section **48-1d-1041** is enacted to read:

3510 **48-1d-1041. Conversion authorized.**

3511 (1) By complying with Sections 48-1d-1041 through 48-1d-1046, a domestic  
3512 partnership may become:

3513 (a) a domestic entity that is a different type of entity; or

3514 (b) a foreign entity that is a different type of entity, if the conversion is authorized by  
3515 the law of the foreign jurisdiction.

3516 (2) By complying with the provisions of Sections 48-1d-1041 through 48-1d-1046  
3517 applicable to foreign entities, a foreign entity that is not a foreign partnership may become a  
3518 domestic partnership if the conversion is authorized by the law of the foreign entity's  
3519 jurisdiction of formation.

3520 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
3521 partnership but does not refer to a conversion, the provision applies to a conversion of the  
3522 entity as if the conversion were a merger until the provision is amended after January 1, 2014.

3523 Section 99. Section **48-1d-1042** is enacted to read:

3524 **48-1d-1042. Plan of conversion.**

3525 (1) A domestic partnership may convert to a different type of entity under Sections  
3526 48-1d-1041 through 48-1d-1046 by approving a plan of conversion. The plan must be in a  
3527 record and contain:

3528 (a) the name of the converting partnership;

3529 (b) the name, jurisdiction of formation, and type of entity of the converted entity;

3530 (c) the manner of converting the interests in the converting partnership into interests,  
3531 securities, obligations, money, other property, rights to acquire interests or securities, or any  
3532 combination of the foregoing;

3533 (d) the proposed public organic record of the converted entity if it will be a filing  
3534 entity;

3535 (e) the full text of the private organic rules of the converted entity that are proposed to  
3536 be in a record;

3537 (f) the other terms and conditions of the conversion; and

3538 (g) any other provision required by the law of this state or the partnership agreement of  
3539 the converting partnership.

3540 (2) In addition to the requirements of Subsection (1), a plan of conversion may contain  
3541 any other provision not prohibited by law.

3542 Section 100. Section **48-1d-1043** is enacted to read:

3543 **48-1d-1043. Approval of conversion.**

3544 (1) A plan of conversion is not effective unless it has been approved:

3545 (a) by a domestic converting partnership by all the partners of the partnership entitled  
3546 to vote on or consent to any matter; and

3547 (b) in a record, by each partner of a domestic converting partnership that will have  
3548 interest holder liability for debts, obligations, and other liabilities that arise after the conversion  
3549 becomes effective:

3550 (i) the partnership agreement provides in a record for the approval of a conversion or a  
3551 merger in which some or all of its partners become subject to interest holder liability by the  
3552 vote or consent of fewer than all the interest holders; and

3553 (ii) the partner voted for or consented in a record to that provision of the partnership  
3554 agreement or became a partner after the adoption of that provision.

3555 (2) A conversion involving a domestic converting entity that is not a partnership is not  
3556 effective unless it is approved by the domestic converting entity in accordance with its organic  
3557 law.

3558 (3) A conversion of a foreign converting entity is not effective unless it is approved by  
3559 the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

3560 Section 101. Section **48-1d-1044** is enacted to read:

3561 **48-1d-1044. Amendment or abandonment of plan of conversion.**

3562 (1) A plan of conversion of a domestic converting partnership may be amended:

3563 (a) in the same manner as the plan was approved, if the plan does not provide for the  
3564 manner in which it may be amended; or

3565 (b) by the partners of the entity in the manner provided in the plan, but a partner that  
3566 was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent  
3567 to any amendment of the plan that will change:

3568 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
3569 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
3570 the partners of the converting entity under the plan;

3571 (ii) the public organic record or private organic rules of the converted entity that will be  
3572 in effect immediately after the conversion becomes effective, except for changes that do not  
3573 require approval of the interest holders of the converted entity under its organic law or organic  
3574 rules; or

3575 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
3576 partner in any material respect.

3577 (2) After a plan of conversion has been approved by a domestic converting partnership  
3578 and before a statement of conversion becomes effective, the plan may be abandoned as  
3579 provided in the plan. Unless prohibited by the plan, a domestic converting partnership may  
3580 abandon the plan in the same manner as the plan was approved.

3581 (3) If a plan of conversion is abandoned after a statement of conversion has been  
3582 delivered to the division for filing and before the statement of conversion becomes effective, a  
3583 statement of abandonment, signed by the converting entity, must be delivered to the division  
3584 for filing before the time the statement of conversion becomes effective. The statement of  
3585 abandonment takes effect on filing, and the conversion is abandoned and does not become

3586 effective. The statement of abandonment must contain:

3587 (a) the name of the converting partnership;

3588 (b) the date on which the statement of conversion was delivered to the division for

3589 filing; and

3590 (c) a statement that the conversion has been abandoned in accordance with this section.

3591 Section 102. Section **48-1d-1045** is enacted to read:

3592 **48-1d-1045. Statement of conversion.**

3593 (1) A statement of conversion must be signed by the converting entity and delivered to

3594 the division for filing.

3595 (2) A statement of conversion must contain:

3596 (a) the name, jurisdiction of formation, and type of entity of the converting entity;

3597 (b) the name, jurisdiction of formation, and type of entity of the converted entity;

3598 (c) if the converting entity is a domestic entity, a statement that the plan of conversion

3599 was approved in accordance with Sections 48-1d-1041 through 48-1d-1046 or, if the

3600 converting entity is a foreign entity, a statement that the conversion was approved by the

3601 foreign converting entity in accordance with the law of its jurisdiction of formation;

3602 (d) if the converted entity is a domestic filing entity, the text of its public organic

3603 record, as an attachment;

3604 (e) if the converted entity is a domestic limited liability partnership, the text of its

3605 statement of qualification, as an attachment; and

3606 (f) if the converted entity is a foreign entity that is not a registered foreign entity, a

3607 mailing address to which the division may send any process served on the division pursuant to

3608 Subsection 48-1d-1046(5).

3609 (3) In addition to the requirements of Subsection (2), a statement of conversion may

3610 contain any other provision not prohibited by law.

3611 (4) If the converted entity is a domestic entity, its public organic record, if any, must

3612 satisfy the requirements of the law of this state, except that the public organic record does not

3613 need to be signed.

3614 (5) A plan of conversion that is signed by a domestic converting entity and meets all  
3615 the requirements of Subsection (2) may be delivered to the division for filing instead of a  
3616 statement of conversion and on filing has the same effect. If a plan of conversion is filed as  
3617 provided in this Subsection (5), references in this part to a statement of conversion refer to the  
3618 plan of conversion filed under this Subsection (5).

3619 Section 103. Section **48-1d-1046** is enacted to read:

3620 **48-1d-1046. Effect of conversion.**

3621 (1) When a conversion in which the converted entity is a domestic partnership becomes  
3622 effective:

3623 (a) the converted entity is:

3624 (i) organized under and subject to this chapter; and

3625 (ii) the same entity without interruption as the converting entity;

3626 (b) all property of the converting entity continues to be vested in the converted entity  
3627 without transfer, reversion, or impairment;

3628 (c) all debts, obligations, and other liabilities of the converting entity continue as debts,  
3629 obligations, and other liabilities of the converted entity;

3630 (d) except as otherwise provided by law or the plan of conversion, all the rights,  
3631 privileges, immunities, powers, and purposes of the converting entity remain in the converted  
3632 entity;

3633 (e) the name of the converted entity may be substituted for the name of the converting  
3634 entity in any pending action or proceeding;

3635 (f) if the converted entity is a limited liability partnership, its statement of qualification  
3636 is effective simultaneously;

3637 (g) the provisions of the partnership agreement of the converted entity that are to be in  
3638 a record, if any, approved as part of the plan of conversion are effective; and

3639 (h) the interests in the converting entity are converted, and the interest holders of the  
3640 converting entity are entitled only to the rights provided to them under the plan of conversion  
3641 and to any appraisal rights they have under Section 48-1d-1008 and the converting entity's

3642 organic law.

3643 (2) Except as otherwise provided in the partnership agreement of a domestic converting  
3644 partnership, the conversion does not give rise to any rights that a partner or third party would  
3645 otherwise have upon a dissolution, liquidation, or winding up of the converting entity.

3646 (3) When a conversion becomes effective, a person that did not have interest holder  
3647 liability with respect to the converting entity and becomes subject to interest holder liability  
3648 with respect to a domestic entity as a result of the conversion has interest holder liability only  
3649 to the extent provided by the organic law of the entity and only for those debts, obligations, and  
3650 other liabilities that arise after the conversion becomes effective.

3651 (4) When a conversion becomes effective, the interest holder liability of a person that  
3652 ceases to hold an interest in a domestic partnership with respect to which the person had  
3653 interest holder liability is as follows:

3654 (a) The conversion does not discharge any interest holder liability to the extent the  
3655 interest holder liability arose before the conversion became effective.

3656 (b) The person does not have interest holder liability for any debt, obligation, or other  
3657 liability that arises after the conversion becomes effective.

3658 (c) The person has whatever rights of contribution from any other person as are  
3659 provided by law other than this chapter, this chapter, or the partnership agreement of the  
3660 converting entity with respect to any interest holder liability preserved under Subsection (4)(a)  
3661 as if the conversion had not occurred.

3662 (5) When a conversion becomes effective, a foreign entity that is the converted entity  
3663 may be served with process in this state for the collection and enforcement of any of its debts,  
3664 obligations, and other liabilities as provided in Section 16-17-301.

3665 (6) If the converting entity is a registered foreign entity, its registration to do business  
3666 in this state is canceled when the conversion becomes effective.

3667 (7) A conversion does not require the entity to wind up its affairs and does not  
3668 constitute or cause the dissolution of the entity.

3669 Section 104. Section **48-1d-1051** is enacted to read:

3670 **48-1d-1051. Domestication authorized.**

3671 (1) By complying with Sections 48-1d-1051 through 48-1d-1056, a domestic limited  
3672 liability partnership may become a foreign limited liability partnership if the domestication is  
3673 authorized by the law of the foreign jurisdiction.

3674 (2) By complying with the provisions of Sections 48-1d-1051 through 48-1d-1056  
3675 applicable to foreign limited liability partnerships, a foreign limited liability partnership may  
3676 become a domestic limited liability partnership if the domestication is authorized by the law of  
3677 the foreign limited liability partnership's jurisdiction of formation.

3678 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
3679 limited liability partnership but does not refer to a domestication, the provision applies to a  
3680 domestication of the limited liability partnership as if the domestication were a merger until the  
3681 provision is amended after January 1, 2014.

3682 Section 105. Section **48-1d-1052** is enacted to read:

3683 **48-1d-1052. Plan of domestication.**

3684 (1) A domestic limited liability partnership may become a foreign limited liability  
3685 partnership in a domestication by approving a plan of domestication. The plan must be in a  
3686 record and contain:

3687 (a) the name of the domesticating limited liability partnership;

3688 (b) the name and jurisdiction of formation of the domesticated limited liability  
3689 partnership;

3690 (c) the manner of converting the interests in the domesticating limited liability  
3691 partnership into interests, securities, obligations, money, other property, rights to acquire  
3692 interests or securities, or any combination of the foregoing;

3693 (d) the proposed statement of qualification of the domesticated limited liability  
3694 partnership;

3695 (e) the full text of the partnership agreement of the domesticated limited liability  
3696 partnership that are proposed to be in a record;

3697 (f) the other terms and conditions of the domestication; and

3698 (g) any other provision required by the law of this state or the partnership agreement of  
3699 the domesticating limited liability partnership.

3700 (2) In addition to the requirements of Subsection (1), a plan of domestication may  
3701 contain any other provision not prohibited by law.

3702 Section 106. Section **48-1d-1053** is enacted to read:

3703 **48-1d-1053. Approval of domestication.**

3704 (1) A plan of domestication of a domestic domesticating limited liability partnership is  
3705 not effective unless it has been approved:

3706 (a) by all the partners entitled to vote on or consent to any matter; and

3707 (b) in a record, by each partner that will have interest holder liability for debts,  
3708 obligations, and other liabilities that arise after the domestication becomes effective, unless:

3709 (i) the partnership agreement of the entity provides in a record for the approval of a  
3710 domestication or merger in which some or all of its partners become subject to interest holder  
3711 liability by the vote or consent of fewer than all the partners; and

3712 (ii) the partner voted for or consented in a record to that provision of the partnership  
3713 agreement or became a partner after the adoption of that provision.

3714 (2) A domestication of a foreign domesticating limited liability partnership is not  
3715 effective unless it is approved in accordance with the law of the foreign limited liability  
3716 partnership's jurisdiction of formation.

3717 Section 107. Section **48-1d-1054** is enacted to read:

3718 **48-1d-1054. Amendment or abandonment of plan of domestication.**

3719 (1) A plan of domestication of a domestic domesticating limited liability partnership  
3720 may be amended:

3721 (a) in the same manner as the plan was approved, if the plan does not provide for the  
3722 manner in which it may be amended; or

3723 (b) by the partners of the limited liability partnership in the manner provided in the  
3724 plan, but a partner that was entitled to vote on or consent to approval of the domestication is  
3725 entitled to vote on or consent to any amendment of the plan that will change:

3726 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
3727 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
3728 the partners of the domesticating limited liability partnership under the plan;

3729 (ii) the partnership agreement of the domesticated limited liability partnership that will  
3730 be in effect immediately after the domestication becomes effective, except for changes that do  
3731 not require approval of the partners of the domesticated limited liability partnership under its  
3732 organic law or partnership agreement; or

3733 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
3734 partner in any material respect.

3735 (2) After a plan of domestication has been approved by a domestic domesticating  
3736 limited liability partnership and before a statement of domestication becomes effective, the  
3737 plan may be abandoned as provided in the plan. Unless prohibited by the plan, a domestic  
3738 domesticating limited liability partnership may abandon the plan in the same manner as the  
3739 plan was approved.

3740 (3) If a plan of domestication is abandoned after a statement of domestication has been  
3741 delivered to the division for filing and before the statement of domestication becomes effective,  
3742 a statement of abandonment, signed by the limited liability partnership, must be delivered to  
3743 the division for filing before the time the statement of domestication becomes effective. The  
3744 statement of abandonment takes effect on filing, and the domestication is abandoned and does  
3745 not become effective. The statement of abandonment must contain:

3746 (a) the name of the domesticating limited liability partnership;

3747 (b) the date on which the statement of domestication was delivered to the division for  
3748 filing; and

3749 (c) a statement that the domestication has been abandoned in accordance with this  
3750 section.

3751 Section 108. Section **48-1d-1055** is enacted to read:

3752 **48-1d-1055. Statement of domestication.**

3753 (1) A statement of domestication must be signed by the domesticating limited liability

3754 partnership and delivered to the division for filing.

3755 (2) A statement of domestication must contain:

3756 (a) the name of the domesticating limited liability partnership and the name of the  
3757 jurisdiction whose law governs the domesticating limited liability partnership's internal affairs;

3758 (b) the name of the domesticated limited liability partnership and the name of the  
3759 jurisdiction whose law governs the domesticating limited liability partnership's internal affairs;

3760 (c) if the domesticating limited liability partnership is a domestic limited liability  
3761 partnership, a statement that the plan of domestication was approved in accordance with  
3762 Sections 48-1d-1051 through 48-1d-1056 or, if the domesticating limited liability partnership is  
3763 a foreign limited liability partnership, a statement that the domestication was approved in  
3764 accordance with the law of the jurisdiction whose law governs the internal affairs of the foreign  
3765 limited liability partnership;

3766 (d) the statement of qualification of the domesticated limited liability partnership, as an  
3767 attachment; and

3768 (e) if the domesticated foreign limited liability partnership is not a registered foreign  
3769 limited liability partnership, a mailing address to which the division may send any process  
3770 served on the division pursuant to Subsection 48-1d-1056(5).

3771 (3) In addition to the requirements of Subsection (2), a statement of domestication may  
3772 contain any other provision not prohibited by law.

3773 (4) The statement of qualification of a domesticated domestic limited liability  
3774 partnership must satisfy the requirements of the law of this state, but the statement does not  
3775 need to be signed.

3776 (5) A plan of domestication that is signed by a domesticating domestic limited liability  
3777 partnership and meets all the requirements of Subsection (2) may be delivered to the division  
3778 for filing instead of a statement of domestication and on filing has the same effect. If a plan of  
3779 domestication is filed as provided in this Subsection (5), references in this part to a statement  
3780 of domestication refer to the plan of domestication filed under this Subsection (5).

3781 Section 109. Section **48-1d-1056** is enacted to read:

3782 **48-1d-1056. Effect of domestication.**

3783 (1) When a domestication becomes effective:

3784 (a) the domesticated limited liability partnership is:

3785 (i) organized under and subject to the organic law of the domesticated limited liability  
3786 partnership; and

3787 (ii) the same entity without interruption as the domesticating limited liability  
3788 partnership;

3789 (b) all property of the domesticating limited liability partnership continues to be vested  
3790 in the domesticated entity without transfer, reversion, or impairment;

3791 (c) all debts, obligations, and other liabilities of the domesticating limited liability  
3792 partnership continue as debts, obligations, and other liabilities of the domesticated limited  
3793 liability partnership;

3794 (d) except as otherwise provided by law or the plan of domestication, all the rights,  
3795 privileges, immunities, powers, and purposes of the domesticating limited liability partnership  
3796 remain in the domesticated limited liability partnership;

3797 (e) the name of the domesticated limited liability partnership may be substituted for the  
3798 name of the domesticating limited liability partnership in any pending action or proceeding;

3799 (f) the statement of qualification of the domestic limited liability partnership is  
3800 effective;

3801 (g) the provisions of the partnership agreement of the domesticated limited liability  
3802 partnership that are to be in a record, if any, approved as part of the plan of domestication are  
3803 effective; and

3804 (h) the interests in the domesticating limited liability partnership are converted to the  
3805 extent and as approved in connection with the domestication, and the partners of the  
3806 domesticating limited liability partnership are entitled only to the rights provided to them under  
3807 the plan of domestication and to any appraisal rights they have under Section 48-1d-1008.

3808 (2) Except as otherwise provided in the organic law or partnership agreement of the  
3809 domesticating limited liability partnership, the domestication does not give rise to any rights

3810 that a partner or third party would have upon a dissolution, liquidation, or winding up of the  
3811 domesticating limited liability partnership.

3812 (3) When a domestication becomes effective, a person that did not have interest holder  
3813 liability with respect to the domesticating limited liability partnership and becomes subject to  
3814 interest holder liability with respect to a domestic limited liability partnership as a result of the  
3815 domestication has interest holder liability only to the extent provided by the organic law of the  
3816 domestic limited liability partnership and only for those debts, obligations, and other liabilities  
3817 that arise after the domestication becomes effective.

3818 (4) When a domestication becomes effective:

3819 (a) The domestication does not discharge any interest holder liability under this part to  
3820 the extent the interest holder liability arose before the domestication became effective.

3821 (b) A person does not have interest holder liability under this chapter for any debt,  
3822 obligation, or other liability that arise after the domestication becomes effective.

3823 (c) A person has whatever rights of contribution from any other person as are provided  
3824 by law other than this chapter, or this chapter, or the partnership agreement of a domestic  
3825 domesticating limited liability partnership with respect to any interest holder liability preserved  
3826 under Subsection (4)(a) as if the domestication had not occurred.

3827 (5) When a domestication becomes effective, a foreign limited liability partnership that  
3828 is the domesticated limited liability partnership may be served with process in this state for the  
3829 collection and enforcement of any of its debts, obligations, and other liabilities as provided in  
3830 Section 16-17-301.

3831 (6) If the domesticating limited liability partnership is a registered foreign limited  
3832 liability partnership, the registration of the foreign limited liability partnership is canceled  
3833 when the domestication becomes effective.

3834 (7) A domestication does not require the limited liability partnership to wind up its  
3835 business and does not constitute or cause the dissolution of the limited liability partnership.

3836 Section 110. Section **48-1d-1101** is enacted to read:

3837 **Part 11. Limited Liability Partnerships**

3838 **48-1d-1101. Statement of qualification.**

3839 (1) A partnership may become a limited liability partnership pursuant to this section.

3840 (2) The terms and conditions on which a partnership becomes a limited liability  
3841 partnership must be approved by the vote or consent necessary to amend the partnership  
3842 agreement except, in the case of a partnership agreement that expressly addresses obligations to  
3843 contribute to the partnership, the vote or consent necessary to amend those provisions.

3844 (3) After the approval required by Subsection (2), a partnership may become a limited  
3845 liability partnership by delivering to the division for filing a statement of qualification. The  
3846 statement of qualification must contain:

3847 (a) the name of the limited liability partnership;

3848 (b) the street address of the limited liability partnership's principal office and, if  
3849 different, the street address of an office in this state, if any;

3850 (c) the information required by Subsection 16-17-203(1); and

3851 (d) a statement that the partnership elects to become a limited liability partnership.

3852 (4) A partnership's status as a limited liability partnership remains effective, regardless  
3853 of changes in the limited liability partnership, until it is canceled pursuant to Subsection (6) or  
3854 administratively revoked pursuant to Section 48-1d-1102.

3855 (5) The status of a partnership as a limited liability partnership and the liability of its  
3856 partners for the debts, obligations, or other liabilities of the partnership while it is a limited  
3857 liability partnership is not affected by errors or later changes in the information required to be  
3858 contained in the statement of qualification.

3859 (6) A limited liability partnership may amend or cancel its statement of qualification by  
3860 delivering to the division for filing a statement of amendment or cancellation. The statement  
3861 must be consented to by all partners and state the name of the limited liability partnership and  
3862 in the case of:

3863 (a) an amendment, state the amendment; and

3864 (b) a cancellation, state that the statement of qualification is canceled.

3865 Section 111. Section **48-1d-1102** is enacted to read:

3866 **48-1d-1102. Administrative revocation of statement of qualification.**

3867 (1) The division may commence a proceeding under Subsections (2) and (3) to revoke  
3868 the statement of qualification of a limited liability partnership administratively if the limited  
3869 liability partnership does not:

3870 (a) pay any fee, tax, or penalty required to be paid to the division not later than 60 days  
3871 after it is due;

3872 (b) deliver an annual report to the division not later than 60 days after it is due; or

3873 (c) have a registered agent in this state for 60 consecutive days.

3874 (2) If the division determines that one or more grounds exist for administratively  
3875 revoking a statement of qualification, the division shall serve the limited liability partnership  
3876 with notice in a record of the division's determination.

3877 (3) If a limited liability partnership, not later than 60 days after service of the notice is  
3878 effected under Subsection (2), does not cure each ground for revocation or demonstrate to the  
3879 satisfaction of the division that each ground determined by the division does not exist, the  
3880 division shall administratively revoke the statement of qualification by signing a statement of  
3881 administrative revocation that recites the grounds for revocation and the effective date of the  
3882 revocation. The division shall file the statement and serve a copy on the limited liability  
3883 partnership pursuant to Section 48-1d-116.

3884 (4) An administrative revocation under Subsection (3) affects only a partnership's  
3885 status as a limited liability partnership and is not an event causing dissolution of the  
3886 partnership.

3887 (5) The administrative revocation of a statement of qualification of a limited liability  
3888 partnership does not terminate the authority of its registered agent.

3889 Section 112. Section **48-1d-1103** is enacted to read:

3890 **48-1d-1103. Reinstatement.**

3891 (1) A limited liability partnership whose statement of qualification has been revoked  
3892 administratively under Section 48-1d-1102 may apply to the division for reinstatement of the  
3893 statement of qualification not later than two years after the effective date of the revocation.

3894 The application must state:

3895 (a) the name of the partnership at the time of the administrative revocation of its  
3896 statement of qualification and, if needed, a different name that satisfies Section 48-1d-1105;

3897 (b) the address of the principal office of the partnership and information required under  
3898 Subsection 16-17-203(1);

3899 (c) the effective date of administrative revocation of the partnership's statement of  
3900 qualification; and

3901 (d) that the grounds for revocation did not exist or have been cured.

3902 (2) To have its statement of qualification reinstated, a partnership whose statement of  
3903 qualification has been revoked administratively must pay all fees, taxes, and penalties that were  
3904 due to the division at the time of the administrative revocation and all fees, taxes, and penalties  
3905 that would have been due to the division while the partnership's statement of qualification was  
3906 revoked administratively.

3907 (3) If the division determines that the application contains the information required by  
3908 Subsection (1), is satisfied that the information is correct, and determines that all payments  
3909 required to be made to the division by Subsection (2) have been made, the division shall:

3910 (a) cancel the statement of revocation and prepare a statement of reinstatement that  
3911 states the division's determination and the effective date of reinstatement;

3912 (b) file the statement of revocation; and

3913 (c) serve a copy of the statement of revocation on the limited liability partnership.

3914 (4) When reinstatement under this section is effective, the following rules apply:

3915 (a) the reinstatement relates back to and takes effect as of the effective date of the  
3916 administrative revocation; and

3917 (b) the partnership's status as a limited liability partnership continues as if the  
3918 revocation had not occurred, except for the rights of a person arising out of an act or omission  
3919 in reliance on the revocation before the person knew or had notice of the reinstatement are not  
3920 affected.

3921 Section 113. Section **48-1d-1104** is enacted to read:

3922           **48-1d-1104. Judicial review of denial of reinstatement.**

3923           (1) If the division denies a limited liability partnership's application for reinstatement  
3924 following administrative revocation of the limited liability partnership's statement of  
3925 qualification, the division shall serve the limited liability company partnership with notice in a  
3926 record that explains the reasons for the denial.

3927           (2) A limited liability partnership may seek judicial review of denial of reinstatement  
3928 in the district court not later than 30 days after service of the notice of denial.

3929           Section 114. Section **48-1d-1105** is enacted to read:

3930           **48-1d-1105. Permitted names.**

3931           (1) The name of a partnership that is not a limited liability partnership may not contain  
3932 the phrase "Registered Limited Liability Partnership" or "Limited Liability Partnership" or the  
3933 abbreviation "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

3934           (2) The name of a limited liability partnership must contain the words "Registered  
3935 Limited Liability Partnership", "Limited Liability Partnership", "R.L.L.P.", "L.L.P.", "RLLP",  
3936 or "LLP".

3937           (3) Except as otherwise provided in Subsection (6), the name of a limited liability  
3938 partnership and the name under which a foreign limited liability partnership may register to do  
3939 business in this state must be distinguishable on the records of the division from any:

3940           (a) name of an existing person whose formation required the filing of a record by the  
3941 division;

3942           (b) name of a limited liability partnership;

3943           (c) name of a person that is registered to do business in this state by the filing of a  
3944 record by the division;

3945           (d) name reserved under Section 48-1d-1106 or other law of this state providing for the  
3946 reservation of a name by the filing of a record by the division;

3947           (e) name registered under Section 48-1d-1107 or other law of this state providing for  
3948 the registration of a name by the filing of a record by the division; or

3949           (f) assumed name registered under Title 42, Chapter 2, Conducting Business Under

3950 Assumed Name.

3951 (4) If a person consents in a record to the use of its name and submits an undertaking in  
3952 a form satisfactory to the division to change its name to a name that is distinguishable on the  
3953 records of the division from any name in any category of names in Subsection (3), the name of  
3954 the consenting person may be used by the person to which the consent was given.

3955 (5) Except as otherwise provided in Subsection (6), in determining whether a name is  
3956 the same as or not distinguishable on the records of the division from the name of another  
3957 entity, words, phrases, or abbreviations indicating the type of entity, such as "corporation",  
3958 "corp.", "incorporated", "Inc.", "professional corporation", "PC", "P.C.", "professional  
3959 association", "PA", "P.A.", "Limited", "Ltd.", "limited partnership", "LP", "L.P.", "limited  
3960 liability partnership", "LLP", "L.L.P.", "registered limited liability partnership", "RLLP",  
3961 "R.L.L.P.", "limited liability limited partnership", "LLL", "L.L.L.P.", "registered limited  
3962 liability limited partnership", "RLLL", "R.L.L.L.P.", "limited liability company", or "LLC",  
3963 "L.L.C.", "professional limited liability company", "PLLC", or "P.L.L.C.", may not be taken  
3964 into account.

3965 (6) A person may consent in a record to the use of a name that is not distinguishable on  
3966 the records of the division from its name except for the addition of a word, phrase, or  
3967 abbreviation indicating the type of person as provided in Subsection (5). In such a case, the  
3968 person need not change its name pursuant to Subsection (4).

3969 (7) The division may not approve for filing a name that implies that a limited liability  
3970 partnership is an agency of this state or any of its political subdivisions, if it is not actually such  
3971 a legally established agency or subdivision.

3972 (8) The authorization to file a certificate under or to reserve or register a limited  
3973 liability partnership name as granted by the division does not:

3974 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

3975 (b) derogate from the common law, the principles of equity, or the statutes of this state  
3976 or of the United States with respect to the right to acquire and protect names and trademarks; or

3977 (c) create an exclusive right in geographic or generic terms contained within a name.

3978           (9) The name of a limited liability partnership or foreign limited liability partnership  
3979 may not contain:

3980           (a) the words:

3981           (i) "association";

3982           (ii) "corporation";

3983           (iii) "incorporated";

3984           (iv) "limited liability company";

3985           (v) "limited company";

3986           (vi) "limited partnership"; or

3987           (vii) "Ltd.";

3988           (b) any word or abbreviation that is of like import to the words listed in Subsection

3989 (9)(a):

3990           (c) without the written consent of the United States Olympic Committee, the words:

3991           (i) "Olympic";

3992           (ii) "Olympiad"; or

3993           (iii) "Citius Altius Fortius"; and

3994           (d) without the written consent of the Division of Consumer Protection issued in

3995 accordance with Section 13-34-114 the words:

3996           (i) "university";

3997           (ii) "college"; or

3998           (iii) "institute" or "institution".

3999           Section 115. Section **48-1d-1106** is enacted to read:

4000           **48-1d-1106. Reservation of name.**

4001           (1) A person may reserve the exclusive use of a name that complies with Section

4002 48-1d-1105 by delivering an application to the division for filing. The application must state

4003 the name and address of the applicant and the name to be reserved. If the division finds that

4004 the name is available, the division shall reserve the name for the applicant's exclusive use for a

4005 period of 120 days.

4006           (2) The owner of a reserved name may transfer the reservation to another person by  
4007 delivering to the division a signed notice in a record of the transfer, which states the name and  
4008 address of the transferee.

4009           Section 116. Section **48-1d-1107** is enacted to read:

4010           **48-1d-1107. Registration of name.**

4011           (1) A foreign limited liability partnership not registered to do business in this state  
4012 under Part 12, Foreign Limited Liability Partnerships, may register its name, or an alternate  
4013 name adopted pursuant to Section 48-1d-1206, if the name is distinguishable on the records of  
4014 the division from the names that are not available under Section 48-1d-1105.

4015           (2) To register its name or an alternate name adopted pursuant to Section 48-1d-1206, a  
4016 foreign limited liability partnership must deliver to the division for filing an application stating  
4017 the foreign limited liability partnership's name, the jurisdiction and date of its formation, and  
4018 any alternate name adopted pursuant to Section 48-1d-1206. If the division finds that the name  
4019 applied for is available, the division shall register the name for the applicant's exclusive use.

4020           (3) The registration of a name under this section is effective for one year after the date  
4021 of registration.

4022           (4) A foreign limited liability partnership whose name registration is effective may  
4023 renew the registration for successive one-year periods by delivering, not earlier than three  
4024 months before the expiration of the registration, to the division for filing a renewal application  
4025 that complies with this section. When filed, the renewal application renews the registration for  
4026 a succeeding one-year period.

4027           (5) A foreign limited liability partnership whose name registration is effective may  
4028 register as a foreign limited liability company under the registered name or consent in a signed  
4029 record to the use of that name by another person that is not an individual.

4030           Section 117. Section **48-1d-1108** is enacted to read:

4031           **48-1d-1108. Registered agent.**

4032           (1) Each limited liability partnership and each registered foreign limited liability  
4033 partnership shall designate in accordance with Subsection 16-17-203(1) and maintain a

4034 registered agent in this state.

4035 (2) A limited liability partnership or registered foreign limited liability partnership may  
4036 change its registered agent or the address of its registered agent by filing with the division a  
4037 statement of change in accordance with Section 16-17-206.

4038 Section 118. Section **48-1d-1109** is enacted to read:

4039 **48-1d-1109. Annual report for division.**

4040 (1) Each limited liability partnership and registered foreign limited liability partnership  
4041 shall deliver to the division for filing an annual report that states:

4042 (a) the name of the limited liability partnership or foreign limited liability partnership;

4043 (b) the information required under Subsection 16-17-203(1);

4044 (c) the street and mailing addresses of its principal office;

4045 (d) the name of at least one partner; and

4046 (e) in the case of a foreign limited liability partnership, its jurisdiction of formation and  
4047 any alternate name adopted under Subsection 48-1d-1206(1).

4048 (2) Information in an annual report must be current as of the date the report is signed  
4049 by the limited liability partnership or registered foreign limited liability partnership.

4050 (3) A report must be delivered to the division for each year following the calendar year  
4051 in which the limited liability partnership's statement of qualification became effective or the  
4052 registered foreign limited liability partnership registered to do business in this state:

4053 (a) in the case of a limited liability partnership, the annual report must be delivered to  
4054 the division during the month in which is the anniversary date on which the limited liability  
4055 partnership statement of qualification became effective; and

4056 (b) in the case of a registered foreign limited liability partnership, the annual report  
4057 must be delivered to the division during the month in which is the anniversary date on which  
4058 the registered foreign limited liability partnership registered to do business in this state.

4059 (4) If an annual report does not contain the information required by this section, the  
4060 division promptly shall notify the reporting limited liability partnership or registered foreign  
4061 limited liability partnership in a record and return the report for correction.

4062 (5) If an annual report contains the name or address of a registered agent which differs  
4063 from the information shown in the records of the division immediately before the annual report  
4064 becomes effective, the differing information in the annual report is considered a statement of  
4065 change under Section 16-17-206.

4066 Section 119. Section **48-1d-1201** is enacted to read:

4067 **Part 12. Foreign Limited Liability Partnerships**

4068 **48-1d-1201. Governing law.**

4069 (1) The law of the jurisdiction in which the statement of qualification or equivalent  
4070 filing of a foreign limited liability partnership is filed governs:

4071 (a) the internal affairs of the foreign limited liability partnership; and

4072 (b) the liability of a partner as partner for a debt, obligation, or other liability of the  
4073 foreign limited liability partnership.

4074 (2) A foreign limited liability partnership is not precluded from registering to do  
4075 business in this state because of any difference between the law of this state and the jurisdiction  
4076 under which the foreign limited liability partnership's statement of qualification or equivalent  
4077 filing is filed.

4078 (3) Registration of a foreign limited liability partnership to do business in this state  
4079 does not authorize the foreign limited liability partnership to engage in any business or exercise  
4080 any power that a domestic limited liability partnership may not engage in or exercise in this  
4081 state as a limited liability partnership.

4082 (4) (a) The division may permit a tribal limited liability partnership to apply for  
4083 authority to transact business in the state in the same manner as a foreign limited liability  
4084 partnership formed in another state.

4085 (b) If a tribal limited liability partnership elects to apply for authority to transact  
4086 business in the state, for purposes of this chapter, the tribal limited liability partnership shall be  
4087 treated in the same manner as a foreign limited liability partnership formed under the laws of  
4088 another state.

4089 Section 120. Section **48-1d-1202** is enacted to read:

4090 **48-1d-1202. Registration to do business in this state.**

4091 (1) A foreign limited liability partnership may not do business in this state until it  
4092 registers with the division under this part.

4093 (2) A foreign limited liability partnership doing business in this state may not maintain  
4094 an action or proceeding in this state unless it has registered to do business in this state.

4095 (3) The failure of a foreign limited liability partnership to register to do business in this  
4096 state does not impair the validity of a contract or act of the foreign limited liability partnership  
4097 or preclude it from defending an action or proceeding in this state.

4098 (4) A limitation on the liability of a partner of a foreign limited liability partnership is  
4099 not waived solely because the foreign limited liability partnership does business in this state  
4100 without registering to do business in this state.

4101 (5) Subsections 48-1d-1201(1) and (2) apply even if a foreign limited liability  
4102 partnership fails to register under this part.

4103 Section 121. Section **48-1d-1203** is enacted to read:

4104 **48-1d-1203. Foreign registration statement.**

4105 To register to do business in this state, a foreign limited liability partnership must  
4106 deliver a foreign registration statement to the division for filing. The statement must state:

4107 (1) the name of the foreign limited liability partnership and, if the name does not  
4108 comply with Section 48-1d-1105, an alternate name adopted pursuant to Subsection  
4109 48-1d-1206(1);

4110 (2) that the limited liability partnership is a foreign limited liability partnership;

4111 (3) the jurisdiction in which the foreign limited liability partnership's statement of  
4112 qualification or equivalent filing is filed;

4113 (4) the street and mailing addresses of the foreign limited liability partnership's  
4114 principal office and, if the law of the jurisdiction in which the foreign limited liability  
4115 partnership's statement of qualification or equivalent filing is filed requires the foreign limited  
4116 liability partnership to maintain an office in that jurisdiction, the street and mailing addresses  
4117 of the required office; and

4118 (5) the information required by Subsection 16-17-203(1).

4119 Section 122. Section **48-1d-1204** is enacted to read:

4120 **48-1d-1204. Amendment of foreign registration statement.**

4121 A registered foreign limited liability partnership shall deliver to the division for filing  
4122 an amendment to its foreign registration statement if there is a change in:

4123 (1) the name of the foreign limited liability partnership;

4124 (2) the jurisdiction in which the foreign limited liability partnership's statement of  
4125 qualification or equivalent filing is filed;

4126 (3) an address required by Subsection 48-1d-1203(4); or

4127 (4) the information required by Subsection 48-1d-1203(5).

4128 Section 123. Section **48-1d-1205** is enacted to read:

4129 **48-1d-1205. Activities not constituting doing business.**

4130 (1) Activities of a foreign limited liability partnership which do not constitute doing  
4131 business in this state under this part include:

4132 (a) maintaining, defending, mediating, arbitrating, and settling an action or proceeding;

4133 (b) carrying on any activity concerning its internal affairs, including meetings of its  
4134 partners;

4135 (c) maintaining accounts in financial institutions;

4136 (d) maintaining offices or agencies for the transfer, exchange, and registration of  
4137 securities of the foreign limited liability partnership or maintaining trustees or depositories with  
4138 respect to those securities;

4139 (e) selling through independent contractors;

4140 (f) soliciting or obtaining orders by any means if the orders require acceptance outside  
4141 this state before they become contracts;

4142 (g) creating or acquiring indebtedness, mortgages, or security interests in property;

4143 (h) securing or collecting debts or enforcing mortgages or security interests in property  
4144 securing the debts, and holding, protecting, or maintaining property;

4145 (i) conducting an isolated transaction that is not in the course of similar transactions;

4146 (j) owning, without more, property; and  
4147 (k) doing business in interstate commerce.

4148 (2) A person does not do business in this state solely by being a partner of a foreign  
4149 limited liability partnership that does business in this state.

4150 (3) This section does not apply in determining the contacts or activities that may  
4151 subject a foreign limited liability partnership to service of process, taxation, or regulation under  
4152 law of this state other than this chapter.

4153 Section 124. Section **48-1d-1206** is enacted to read:

4154 **48-1d-1206. Noncomplying name of foreign limited liability partnership.**

4155 (1) A foreign limited liability partnership whose name does not comply with Section  
4156 48-1d-1105 may not register to do business in this state until it adopts, for the purpose of doing  
4157 business in this state, an alternate name that complies with Section 48-1d-1105. A registered  
4158 foreign limited liability partnership that registers under an alternate name under this Subsection  
4159 (1) need not comply with Title 42, Chapter 2, Conducting Business Under Assumed Name.

4160 After registering to do business in this state with an alternate name, a registered foreign  
4161 partnership shall do business in this state under:

4162 (a) the alternate name;

4163 (b) the foreign limited liability partnership's name, with the addition of its jurisdiction  
4164 in which the foreign limited liability partnership's statement of qualification or equivalent filing  
4165 is filed; or

4166 (c) an assumed or fictitious name the foreign limited liability partnership is authorized  
4167 to use under Title 42, Chapter 2, Conducting Business Under Assumed Name.

4168 (2) If a registered foreign limited liability partnership changes its name to one that does  
4169 not comply with Section 48-1d-1105, it may not do business in this state until it complies with  
4170 Subsection (1) by amending its registration to adopt an alternate name that complies with  
4171 Section 48-1d-1105.

4172 Section 125. Section **48-1d-1207** is enacted to read:

4173 **48-1d-1207. Withdrawal deemed on conversion to domestic filing entity or**

4174 **domestic limited liability partnership.**

4175 A registered foreign limited liability partnership that converts to a domestic limited  
4176 liability partnership or to a domestic entity that is organized, incorporated, or otherwise formed  
4177 through the delivery of a record to the division for filing is deemed to have withdrawn its  
4178 registration on the effective date of the conversion.

4179 Section 126. Section **48-1d-1208** is enacted to read:

4180 **48-1d-1208. Withdrawal on dissolution or conversion to nonfiling entity other**  
4181 **than limited liability partnership.**

4182 (1) A registered foreign limited liability partnership that has dissolved and completed  
4183 winding up or has converted to a domestic or foreign entity that is not organized, incorporated,  
4184 or otherwise formed through the public filing of a record, other than a limited liability  
4185 partnership, shall deliver a statement of withdrawal to the division for filing. The statement  
4186 must state:

4187 (a) in the case of a foreign limited liability partnership that has completed winding up:

4188 (i) its name and the jurisdiction in which the foreign limited liability partnership's  
4189 statement of qualification is filed; and

4190 (ii) that the foreign limited liability partnership surrenders its registration to do  
4191 business in this state; and

4192 (b) in the case of a foreign limited liability partnership that has converted:

4193 (i) the name of the converting foreign limited liability partnership and the jurisdiction  
4194 in which its statement of qualification is filed;

4195 (ii) the type of entity to which the foreign limited liability partnership has converted  
4196 and its jurisdiction of formation;

4197 (iii) that the converted entity surrenders the converting foreign limited liability  
4198 partnership's registration to do business and revokes the authority of the converting foreign  
4199 limited liability partnership's registered agent to act as registered agent in this state on behalf of  
4200 the foreign limited liability partnership or the converted entity; and

4201 (iv) a mailing address to which service of process may be made under Subsection (2).

4202           (2) After a withdrawal under this section of a foreign limited liability partnership that  
4203 has converted to another type of entity is effective, service of process in any action or  
4204 proceeding based on a cause of action arising during the time the foreign limited liability  
4205 partnership was registered to do business in this state may be made pursuant to Subsection  
4206 16-17-301(2).

4207           Section 127. Section **48-1d-1209** is enacted to read:

4208           **48-1d-1209. Transfer of registration.**

4209           (1) When a registered foreign limited liability partnership has merged into a foreign  
4210 entity that is not registered to do business in this state or has converted to a foreign entity  
4211 required to register with the division to do business in this state, the foreign entity shall deliver  
4212 to the division for filing an application for transfer of registration. The application must state:

4213           (a) the name of the registered foreign limited liability partnership before the merger or  
4214 conversion;

4215           (b) that before the merger or conversion the registration pertained to a foreign limited  
4216 liability partnership;

4217           (c) the name of the applicant foreign entity into which the foreign limited liability  
4218 partnership has merged or to which it has been converted, and, if the name does not comply  
4219 with Section 48-1d-1105, an alternate name adopted pursuant to Subsection 48-1d-1206(1) or  
4220 similar provision of law of this state governing a foreign entity registered to do business in this  
4221 state of the same type as the applicable foreign entity;

4222           (d) the type of entity of the applicant foreign entity and its jurisdiction of formation;

4223           (e) the street and mailing addresses of the principal office of the applicant foreign  
4224 entity and, if the law of that entity's jurisdiction of formation requires the entity to maintain an  
4225 office in that jurisdiction, the street and mailing addresses of that office; and

4226           (f) the information required under Subsection 16-17-203(1).

4227           (2) When an application for transfer of registration takes effect, the registration of the  
4228 foreign limited liability partnership to do business in this state is transferred without  
4229 interruption to the foreign entity into which the foreign limited liability partnership has merged

4230 or to which it has been converted.

4231 Section 128. Section **48-1d-1210** is enacted to read:

4232 **48-1d-1210. Termination of registration.**

4233 (1) The division may terminate the registration of a registered foreign limited liability  
4234 partnership in the manner provided in Subsections (2) and (3) if the foreign limited liability  
4235 partnership does not:

4236 (a) pay, not later than 60 days after the due date, any fee, tax, interest, or penalty  
4237 required to be paid to the division under this chapter or law other than this chapter;

4238 (b) deliver to the division for filing, not later than 60 days after the due date, the annual  
4239 report required under Section 48-1d-1109;

4240 (c) have a registered agent as required by Section 48-1d-1108; or

4241 (d) deliver to the division for filing a statement of a change under Section 16-17-206  
4242 not later than 30 days after a change has occurred in the name or address of the registered  
4243 agent.

4244 (2) The division may terminate the registration of a registered foreign limited liability  
4245 partnership by:

4246 (a) filing a notice of termination or noting the termination in the records of the  
4247 division; and

4248 (b) delivering a copy of the notice or the information in the notation to the foreign  
4249 limited liability partnership's registered agent, or if the foreign limited liability partnership does  
4250 not have a registered agent, to the foreign limited liability partnership's principal office.

4251 (3) A notice or information in a notation under Subsection (2) must include:

4252 (a) the effective date of the termination, which must be at least 60 days after the date  
4253 the division delivers the copy; and

4254 (b) the grounds for termination under Subsection (1).

4255 (4) The authority of a registered foreign limited liability partnership to do business in  
4256 this state ceases on the effective date of the notice of termination or notation under Subsection  
4257 (2), unless before that date the foreign limited liability partnership cures each ground for

4258 termination stated in the notice or notation. If the foreign limited liability partnership cures  
4259 each ground, the division shall file a record so stating.

4260 Section 129. Section **48-1d-1211** is enacted to read:

4261 **48-1d-1211. Withdrawal of registration of registered foreign limited liability**  
4262 **partnership.**

4263 (1) A registered foreign limited liability partnership may withdraw its registration by  
4264 delivering a statement of withdrawal to the division for filing. The statement of withdrawal  
4265 must state:

4266 (a) the name of the foreign limited liability partnership and the jurisdiction in which  
4267 the foreign limited liability partnership's statement of qualification or equivalent filing is filed;

4268 (b) that the foreign limited liability partnership is not doing business in this state and  
4269 that it withdraws its registration to do business in this state;

4270 (c) that the foreign limited liability partnership revokes the authority of its registered  
4271 agent to accept service on its behalf in this state; and

4272 (d) an address to which service of process may be made under Subsection (2).

4273 (2) After the withdrawal of the registration of a foreign limited liability partnership,  
4274 service of process in any action or proceeding based on a cause of action arising during the  
4275 time the foreign limited liability partnership was registered to do business in this state may be  
4276 made pursuant to Subsection 16-17-301(2).

4277 Section 130. Section **48-1d-1212** is enacted to read:

4278 **48-1d-1212. Action by attorney general.**

4279 The attorney general may maintain an action to enjoin a foreign limited liability  
4280 partnership from doing business in this state in violation of this part.

4281 Section 131. Section **48-1d-1301** is enacted to read:

4282 **Part 13. Professional Services Limited Liability Partnerships**

4283 **48-1d-1301. Definitions.**

4284 As used in this part:

4285 (1) "Professional services partnership" means a limited liability partnership organized

4286 in accordance with this part to provide professional services.

4287       (2) "Regulating board" means the entity organized pursuant to state law that licenses  
4288 and regulates the practice of the profession that a limited liability partnership is organized to  
4289 provide.

4290       Section 132. Section **48-1d-1302** is enacted to read:

4291       **48-1d-1302. Application of this part.**

4292       If a conflict arises between this part and another provision of this chapter, this part  
4293 controls.

4294       Section 133. Section **48-1d-1303** is enacted to read:

4295       **48-1d-1303. Name limitations.**

4296       (1) The name of a domestic professional services partnership and of a foreign  
4297 professional services partnership authorized to transact business in this state, in addition to  
4298 complying with Sections 48-1d-1105 and 48-1d-1206:

4299       (a) may not contain language stating or implying that it is formed for a purpose other  
4300 than that authorized by Section 48-1d-1304; and

4301       (b) must conform with any rule made by the regulating board having jurisdiction over a  
4302 professional service to be rendered by the professional service partnership.

4303       (2) Sections 48-1d-1105 and 48-1d-1206 do not prevent the use of a name otherwise  
4304 prohibited by those sections if the name is:

4305       (a) the personal name of an individual partner or individual former partner of the  
4306 professional services partnership; or

4307       (b) the name of an individual who was associated with a predecessor of the  
4308 professional services partnership.

4309       Section 134. Section **48-1d-1304** is enacted to read:

4310       **48-1d-1304. Providing a professional service.**

4311       (1) Subject to Section 48-1d-1305, a professional services partnership may provide a  
4312 professional service in this state only through an individual licensed or otherwise authorized in  
4313 this state to provide the professional service.

4314 (2) Subsection (1) does not:  
4315 (a) require an individual employed by a professional services partnership to be licensed  
4316 to perform a service for the professional services company if a license is not otherwise  
4317 required;

4318 (b) prohibit a licensed individual from providing a professional service in the  
4319 individual's professional capacity although the individual is a partner, employee, or agent of a  
4320 professional services partnership; or

4321 (c) prohibit an individual licensed in another state from providing a professional  
4322 service for a professional services partnership in this state if not prohibited by the regulating  
4323 board.

4324 Section 135. Section **48-1d-1305** is enacted to read:

4325 **48-1d-1305. Limit of one profession.**

4326 (1) A professional services partnership organized to provide a professional service  
4327 under this part may provide only:

4328 (a) one specific type of professional service; and

4329 (b) services ancillary to the professional service described in Subsection (1)(a).

4330 (2) A professional services partnership organized to provide a professional service  
4331 under this part may not engage in a business other than to provide:

4332 (a) the professional service that it was organized to provide; and

4333 (b) services ancillary to the professional service described in Subsection (2)(a).

4334 (3) Notwithstanding Subsections (1) and (2), a professional services partnership may:

4335 (a) own real and personal property necessary or appropriate for providing the type of  
4336 professional service it was organized to provide; and

4337 (b) invest the professional services partnership's money in one or more of the  
4338 following:

4339 (i) real estate;

4340 (ii) mortgages;

4341 (iii) stocks;

4342 (vi) bonds; or

4343 (v) another type of investment.

4344 Section 136. Section **48-1d-1306** is enacted to read:

4345 **48-1d-1306. Activity limitations.**

4346 A professional services partnership may not do anything that an individual licensed to  
4347 practice the profession that the professional services partnership is organized to provide is  
4348 prohibited from doing.

4349 Section 137. Section **48-1d-1307** is enacted to read:

4350 **48-1d-1307. This part does not limit regulating board.**

4351 This part does not restrict the authority or duty of a regulating board to license an  
4352 individual providing a professional service or the practice of the profession that is within the  
4353 jurisdiction of the regulating board, notwithstanding that the individual:

4354 (1) is a partner or employee of a professional services partnership; or

4355 (2) provides the professional service or engages in the practice of the profession  
4356 through a professional services partnership.

4357 Section 138. Section **48-1d-1308** is enacted to read:

4358 **48-1d-1308. Partner of a professional services partnership.**

4359 A professional services partnership organized to provide a professional service:

4360 (1) may include a partner or employee who is authorized under the laws of the  
4361 jurisdiction where the partner or employee resides to provide a similar professional service;

4362 (2) may include a partner who is not licensed or registered by the state to provide the  
4363 professional service to the extent allowed by the applicable licensing or registration act relating  
4364 to the professional service; and

4365 (3) may render a professional service in this state only through a partner or employee  
4366 who is licensed or registered by this state to render the professional service.

4367 Section 139. Section **48-1d-1309** is enacted to read:

4368 **48-1d-1309. Restriction on transfer by partner.**

4369 (1) Except as provided in Subsections (2) and (3), a partner of a professional services

4370 partnership may sell or transfer the partner's interest in the professional services partnership  
4371 only to:

4372 (a) the professional services partnership; or

4373 (b) an individual who is licensed or registered by this state to provide the same type of  
4374 professional service as the professional service for which the professional services partnership  
4375 is organized, or who otherwise satisfies the requirements of Subsection 48-1d-1308(1) or (2).

4376 (2) Upon the death or incapacity of a partner of a professional services partnership, the  
4377 partner's interest in the professional services partnership may be transferred to the personal  
4378 representative or estate of the deceased or incapacitated partner.

4379 (3) The person to whom an interest is transferred under Subsection (2) may continue to  
4380 hold the interest for a reasonable period, but may not participate in a decision concerning the  
4381 providing of a professional service.

4382 Section 140. Section **48-1d-1310** is enacted to read:

4383 **48-1d-1310. Purchase of interest upon death, incapacity, or disqualification of**  
4384 **member.**

4385 (1) Subject to this part, one or more of the following may provide for the purchase of a  
4386 partner's interest in a professional services partnership upon the death, incapacity, or  
4387 disqualification of the partner:

4388 (a) the partnership agreement; or

4389 (b) a private agreement.

4390 (2) In the absence of a provision described in Subsection (1), a professional services  
4391 partnership shall purchase the interest of a partner who is deceased, incapacitated, or no longer  
4392 qualified to own an interest in the professional services partnership within 90 days after the day  
4393 on which the professional services partnership is notified of the death, incapacity, or  
4394 disqualification.

4395 (3) If a professional services partnership purchases a partner's interest under Subsection  
4396 (2), the professional services company shall purchase the interest at a price that is the  
4397 reasonable fair market value as of the date of death, incapacity, or disqualification.

4398           (4) If a professional services partnership fails to purchase a partner's interest as  
 4399 required by Subsection (2) at the end of the 90-day period described in Subsection (2), one of  
 4400 the following may bring an action in the district court of the county in which the principal  
 4401 office or place of practice of the professional services partnership is located to enforce  
 4402 Subsection (2):

- 4403           (a) the personal representative of a deceased partner;
- 4404           (b) the guardian or conservator of an incapacitated partner; or
- 4405           (c) the disqualified partner.

4406           (5) A court in which an action is brought under Subsection (4) may:

- 4407           (a) award the person bringing the action the reasonable fair market value of the  
 4408 interest; or

- 4409           (b) within its jurisdiction, order the liquidation of the professional services partnership.

4410           (6) If a person described in Subsections (4)(a) through (c) is successful in an action  
 4411 under Subsection (4), the court shall award the person reasonable attorney's fees and costs.

4412           Section 141. Section **48-1d-1401** is enacted to read:

**Part 14. Miscellaneous Provisions**

**48-1d-1401. Uniformity of application and construction.**

4415           In applying and construing this chapter, consideration must be given to the need to  
 4416 promote uniformity of the law with respect to its subject matter among states that enact the  
 4417 uniform act upon which this chapter is based.

4418           Section 142. Section **48-1d-1402** is enacted to read:

**48-1d-1402. Severability clause.**

4420           If any provision of this chapter or its application to any person or circumstance is held  
 4421 invalid, the invalidity does not affect other provisions or applications of this chapter which can  
 4422 be given effect without the invalid provision or application, and to this end the provisions of  
 4423 this chapter are severable.

4424           Section 143. Section **48-1d-1403** is enacted to read:

**48-1d-1403. Relation to Electronic Signatures in Global and National Commerce**

4426 Act.

4427 This chapter modifies, limits, and supersedes the Electronic Signatures in Global and  
4428 National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but this chapter does not modify, limit,  
4429 or supersede Sec. 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of  
4430 any of the notices described in Sec. 103(b) of that act, 15 U.S.C. Sec. 7003(b).

4431 Section 144. Section **48-1d-1404** is enacted to read:

4432 **48-1d-1404. Savings clause.**

4433 This chapter does not affect an action commenced, proceeding brought, or right accrued  
4434 before this chapter takes effect.

4435 Section 145. Section **48-1d-1405** is enacted to read:

4436 **48-1d-1405. Application to existing relationships.**

4437 (1) Before January 1, 2016, this chapter governs only:

4438 (a) a partnership formed on or after January 1, 2014; and

4439 (b) except as otherwise provided in Subsection (3), a partnership formed before  
4440 January 1, 2014, which elects, in the manner provided in its partnership agreement or by law  
4441 for amending the partnership agreement, to be subject to this chapter.

4442 (2) Except as otherwise provided in Subsection (3), on and after January 1, 2016, this  
4443 chapter governs all partnerships.

4444 (3) With respect to a partnership that elects pursuant to Subsection (1)(b) to be subject  
4445 to this chapter, after the election takes effect the provisions of this chapter relating to the  
4446 liability of the partnership's partners to third parties apply:

4447 (a) before January 1, 2016, to:

4448 (i) a third party that had not done business with the partnership in the year before the  
4449 election took effect; and

4450 (ii) a third party that had done business with the partnership in the year before the  
4451 election took effect only if the third party knows or has received a notification of the election;

4452 and

4453 (b) on and after January 1, 2016, to all third parties, but those provisions remain

4454 inapplicable to any obligation incurred while those provisions were inapplicable under  
4455 Subsection (3)(a)(ii).

4456 Section 146. Section **48-2a-100** is enacted to read:

4457 **48-2a-100. Scope of chapter.**

4458 Until this chapter is repealed January 1, 2016, this chapter applies only to a limited  
4459 partnership formed on or before December 31, 2013, that has not elected to be governed by  
4460 Chapter 2e, Utah Uniform Limited Partnership Act, as provided in Section 48-2e-1205.

4461 Section 147. Section **48-2c-100** is enacted to read:

4462 **48-2c-100. Scope of chapter.**

4463 Until this chapter is repealed January 1, 2016, this chapter applies only to a limited  
4464 liability company formed on or before December 31, 2013, that has not elected to be governed  
4465 by Chapter 3a, Utah Revised Uniform Limited Liability Company Act, as provided in Section  
4466 48-3a-1405.

4467 Section 148. Section **48-2e-101** is enacted to read:

4468 **CHAPTER 2e. UTAH UNIFORM LIMITED PARTNERSHIP ACT**

4469 **Part 1. General Provisions**

4470 **48-2e-101. Title.**

4471 This chapter is known as the "Utah Uniform Limited Partnership Act."

4472 Section 149. Section **48-2e-102** is enacted to read:

4473 **48-2e-102. Definitions.**

4474 As used in this chapter:

4475 (1) "Certificate of limited partnership" means the certificate required by Section  
4476 48-2e-201. The term includes the certificate as amended or restated.

4477 (2) "Contribution," except in the phrase "right of contribution," means property or a  
4478 benefit described in Section 48-2e-501 which is provided by a person to a limited partnership  
4479 to become a partner or in the person's capacity as a partner.

4480 (3) "Debtor in bankruptcy" means a person that is the subject of:

4481 (a) an order for relief under Title 11 of the United States Code or a comparable order

4482 under a successor statute of general application; or

4483 (b) a comparable order under federal, state, or foreign law governing insolvency.

4484 (4) "Distribution" means a transfer of money or other property from a limited  
4485 partnership to a person on account of a transferable interest or in the person's capacity as a  
4486 partner. The term:

4487 (a) includes:

4488 (i) a redemption or other purchase by a limited partnership of a transferable interest;  
4489 and

4490 (ii) a transfer to a partner in return for the partner's relinquishment of any right to  
4491 participate as a partner in the management or conduct of the limited partnership's activities and  
4492 affairs or to have access to records or other information concerning the limited partnership's  
4493 activities and affairs; and

4494 (b) does not include amounts constituting reasonable compensation for present or past  
4495 service or payments made in the ordinary course of business under a bona fide retirement plan  
4496 or other bona fide benefits program.

4497 (5) "Division" means the Division of Corporations and Commercial Code.

4498 (6) "Foreign limited liability limited partnership" means a foreign limited partnership  
4499 whose general partners have limited liability for the debts, obligations, or other liabilities of the  
4500 foreign limited partnership under a provision similar to Subsection 48-2e-404(3).

4501 (7) "Foreign limited partnership" means an unincorporated entity formed under the law  
4502 of a jurisdiction other than this state which would be a limited partnership if formed under the  
4503 law of this state. The term includes a foreign limited liability limited partnership.

4504 (8) "General partner" means a person that:

4505 (a) has become a general partner under Section 48-2e-401 or was a general partner in a  
4506 limited partnership when the limited partnership became subject to this chapter under Section  
4507 48-2e-1205; and

4508 (b) has not dissociated as a general partner under Section 48-2e-603.

4509 (9) "Jurisdiction," used to refer to a political entity, means the United States, a state, a

4510 foreign country, or a political subdivision of a foreign country.

4511 (10) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:

4512 (a) under whose law the entity is formed; or

4513 (b) in the case of a limited liability partnership or foreign limited liability partnership,

4514 in which the partnership's statement of qualification is filed.

4515 (11) "Limited liability limited partnership," except in the phrase "foreign limited

4516 liability limited partnership," means a limited partnership whose certificate of limited

4517 partnership states that the partnership is a limited liability limited partnership.

4518 (12) "Limited partner" means a person that:

4519 (a) has become a limited partner under Section 48-2e-301 or was a limited partner in a

4520 limited partnership when the limited partnership became subject to this chapter under Section

4521 48-2e-1205; and

4522 (b) has not dissociated under Section 48-2e-601.

4523 (13) "Limited partnership" means an entity formed under this chapter or which

4524 becomes subject to this chapter under Part 11, Merger, Interest Exchange, Conversion, and

4525 Domestication, or Section 48-2e-1205. The term includes a limited liability limited

4526 partnership.

4527 (14) "Partner" means a limited partner or general partner.

4528 (15) "Partnership agreement" means the agreement, whether or not referred to as a

4529 partnership agreement, and whether oral, implied, in a record, or in any combination thereof, of

4530 all the partners of a limited partnership concerning the matters described in Subsection

4531 48-2e-112(1). The term includes the agreement as amended or restated.

4532 (16) "Person" means an individual, business corporation, nonprofit corporation,

4533 partnership, limited partnership, limited liability company, limited cooperative association,

4534 unincorporated nonprofit association, statutory trust, business trust, common-law business

4535 trust, estate, trust, association, joint venture, public corporation, government or governmental

4536 subdivision, agency, or instrumentality, or any other legal or commercial entity.

4537 (17) "Principal office" means the principal executive office of a limited partnership or

4538 foreign limited partnership, whether or not the office is located in this state.

4539 (18) "Property" means all property, whether real, personal, or mixed or tangible or  
4540 intangible, or any right or interest therein.

4541 (19) "Record," used as a noun, means information that is inscribed on a tangible  
4542 medium or that is stored in an electronic or other medium and is retrievable in perceivable  
4543 form.

4544 (20) "Registered agent" means an agent of a limited partnership or foreign limited  
4545 partnership which is authorized to receive service of any process, notice, or demand required or  
4546 permitted by law to be served on the limited partnership.

4547 (21) "Registered foreign limited partnership" means a foreign limited partnership that  
4548 is registered to do business in this state pursuant to a statement of registration filed by the  
4549 division.

4550 (22) "Required information" means the information that a limited partnership is  
4551 required to maintain under Section 48-2e-115.

4552 (23) "Sign" means, with present intent to authenticate or adopt a record:

4553 (a) to execute or adopt a tangible symbol; or

4554 (b) to attach to or logically associate with the record an electronic symbol, sound, or  
4555 process.

4556 (24) "State" means a state of the United States, the District of Columbia, Puerto Rico,  
4557 the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction  
4558 of the United States.

4559 (25) "Transfer" includes:

4560 (a) an assignment;

4561 (b) a conveyance;

4562 (c) a sale;

4563 (d) a lease;

4564 (e) an encumbrance, including a mortgage or security interest;

4565 (f) a gift; and

4566 (g) a transfer by operation of law.

4567 (26) "Transferable interest" means the right, as initially owned by a person in the  
4568 person's capacity as a partner, to receive distributions from a limited partnership in accordance  
4569 with the partnership agreement, whether or not the person remains a partner or continues to  
4570 own any part of the right. The term applies to any fraction of the interest, by whomever owned.

4571 (27) "Transferee" means a person to which all or part of a transferable interest has been  
4572 transferred, whether or not the transferor is a partner. The term includes a person that owns a  
4573 transferable interest under Subsection 48-2e-602(1)(c) or 48-2e-605(1)(d).

4574 (28) "Tribal limited partnership" means a limited partnership:

4575 (a) formed under the law of a tribe; and

4576 (b) that is at least 51% owned or controlled by the tribe under whose law the limited  
4577 partnership is formed.

4578 (29) "Tribe" means a tribe, band, nation, pueblo, or other organized group or  
4579 community of Indians, including an Alaska Native village, that is legally recognized as eligible  
4580 for and is consistent with a special program, service, or entitlement provided by the United  
4581 States to Indians because of their status as Indians.

4582 Section 150. Section **48-2e-103** is enacted to read:

4583 **48-2e-103. Knowledge -- Notice.**

4584 (1) A person knows a fact if the person:

4585 (a) has actual knowledge of it; or

4586 (b) is deemed to know it under law other than this chapter.

4587 (2) A person has notice of a fact if the person:

4588 (a) has reason to know the fact from all of the facts known to the person at the time in  
4589 question; or

4590 (b) is deemed to have notice of the fact under Subsection (3) or (4).

4591 (3) A certificate of limited partnership on file in the office of the division is notice that  
4592 the partnership is a limited partnership and the persons designated in the certificate as general  
4593 partners are general partners. Except as otherwise provided in Subsection (4), the certificate is

4594 not notice of any other fact.

4595 (4) A person not a partner is deemed to have notice of:

4596 (a) another person's dissociation as a general partner 90 days after the effective date of  
4597 an amendment to the certificate of limited partnership which states that the other person has  
4598 dissociated or 90 days after the effective date of a statement of dissociation pertaining to the  
4599 other person, whichever occurs first;

4600 (b) a limited partnership's:

4601 (i) dissolution 90 days after an amendment to the certificate of limited partnership  
4602 stating that the limited partnership becomes effective;

4603 (ii) termination 90 days after a statement of termination under Subsection  
4604 48-2e-802(2)(b)(vi) becomes effective;

4605 (iii) participation in a merger, interest exchange, conversion, or domestication 90 days  
4606 after a statement of merger, interest exchange, conversion, or domestication under Part 11,  
4607 Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and

4608 (iv) abandonment of a merger, interest exchange, conversion, or domestication 90 days  
4609 after a statement of abandonment of merger, interest exchange, conversion, or domestication  
4610 under Part 11, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.

4611 (5) Subject to Subsection 48-2e-209(6), a person notifies another person of a fact by  
4612 taking steps reasonably required to inform the other person in ordinary course, whether or not  
4613 those steps cause the other person to know the fact.

4614 (6) A general partner's knowledge or notice of a fact relating to the limited partnership  
4615 is effective immediately as knowledge of or notice to the limited partnership, except in the case  
4616 of a fraud on the limited partnership committed by or with the consent of the general partner.  
4617 A limited partner's knowledge or notice of a fact relating to the limited partnership is not  
4618 effective as knowledge of or notice to the limited partnership.

4619 Section 151. Section **48-2e-104** is enacted to read:

4620 **48-2e-104. Nature, purpose, and duration of limited partnership.**

4621 (1) A limited partnership is an entity distinct from its partners. A limited partnership is

4622 the same entity regardless of whether its certificate states that the limited partnership is a  
4623 limited liability limited partnership.

4624 (2) A limited partnership may have any lawful purpose, regardless of whether for  
4625 profit.

4626 (3) A limited partnership has perpetual duration.

4627 Section 152. Section **48-2e-105** is enacted to read:

4628 **48-2e-105. Powers.**

4629 A limited partnership has the capacity to sue and be sued in its own name and the power  
4630 to do all things necessary or convenient to carry on its activities and affairs.

4631 Section 153. Section **48-2e-106** is enacted to read:

4632 **48-2e-106. Governing law.**

4633 The law of this state governs:

4634 (1) the internal affairs of a limited partnership; and

4635 (2) the liability of a partner as partner for the debts, obligations, or other liabilities of a  
4636 limited partnership.

4637 Section 154. Section **48-2e-107** is enacted to read:

4638 **48-2e-107. Supplemental principles of law.**

4639 Unless displaced by particular provisions of this chapter, the principles of law and  
4640 equity supplement this chapter.

4641 Section 155. Section **48-2e-108** is enacted to read:

4642 **48-2e-108. Permitted names.**

4643 (1) The name of a limited partnership may contain the name of any partner.

4644 (2) The name of a limited partnership that is not a limited liability limited partnership  
4645 must contain the words "limited partnership" or the abbreviation "L.P." or "LP" and may not  
4646 contain the words "limited liability limited partnership" or the abbreviation "L.L.L.P." or  
4647 "LLLP".

4648 (3) The name of a limited liability limited partnership must contain the words "limited  
4649 liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P." and must not contain the

4650 abbreviation "L.P." or "LP".

4651 (4) Except as otherwise provided in Subsection (7), the name of a limited partnership,  
4652 and the name under which a foreign limited partnership may register to do business in this  
4653 state, must be distinguishable on the records of the division from:

4654 (a) the name of an existing person whose formation required the filing of a record by  
4655 the division;

4656 (b) the name of a limited liability partnership;

4657 (c) the name of a person that is registered to do business in this state by the filing of a  
4658 record by the division;

4659 (d) each name reserved under Section 48-2e-109 or other law of this state providing for  
4660 the reservation of a name by the filing of a record by the division;

4661 (e) each name registered under Section 48-2e-110 or other law of this state providing  
4662 for the registration of a name by the filing of a record by the division; or

4663 (f) an assumed name registered under Title 42, Chapter 2, Conducting Business Under  
4664 Assumed Name.

4665 (5) If a person consents in a record to the use of its name and submits an undertaking in  
4666 a form satisfactory to the division to change its name to a name that is distinguishable on the  
4667 records of the division from any name in any category of names in Subsection (4), the name of  
4668 the consenting person may be used by the person to which the consent was given.

4669 (6) Except as otherwise provided in Subsection (7), in determining whether a name is  
4670 the same as or not distinguishable on the records of the division from the name of another  
4671 entity, words, phrases, or abbreviations indicating the type of entity, such as "corporation",  
4672 "corp.", "incorporated", "Inc.", "professional corporation", "PC", "P.C.", "professional  
4673 association", "PA", "P.A.", "Limited", "Ltd.", "limited partnership", "LP", "L.P.", "limited  
4674 liability partnership", "LLP", "L.L.P.", "registered limited liability partnership", "RLLP",  
4675 "R.L.L.P.", "limited liability limited partnership", "LLL", "L.L.L.P.", "registered limited  
4676 liability limited partnership", "RLLL", "R.L.L.L.P.", "limited liability company", "LLC",  
4677 "L.L.C.", "professional limited liability company", "PLLC", or "P.L.L.C.", may not be taken

4678 into account.

4679 (7) A person may consent in a record to the use of a name that is not distinguishable on  
4680 the records of the division from its name except for the addition of a word, phrase, or  
4681 abbreviation indicating the type of person as provided in Subsection (6). In such a case, the  
4682 person need not change its name pursuant to Subsection (5).

4683 (8) The division may not approve for filing a name that implies that a limited  
4684 partnership is an agency of this state or any of its political subdivisions, if it is not actually such  
4685 a legally established agency or subdivision.

4686 (9) The authorization to file a certificate under or to reserve or register a limited  
4687 partnership name as granted by the division does not:

4688 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

4689 (b) derogate from the common law, the principles of equity, or the statutes of this state  
4690 or of the United States with respect to the right to acquire and protect names and trademarks; or

4691 (c) create an exclusive right in geographic or generic terms contained within a name.

4692 (10) The name of a limited partnership or foreign limited partnership may not contain:

4693 (a) the words:

4694 (i) "association";

4695 (ii) "corporation";

4696 (iii) "incorporated";

4697 (iv) "limited liability company"; or

4698 (v) "limited company";

4699 (b) any word or abbreviation that is of like import to the words listed in Subsection

4700 (10)(a);

4701 (c) without the written consent of the United States Olympic Committee, the words:

4702 (i) "Olympic";

4703 (ii) "Olympiad"; or

4704 (iii) "Citius Altius Fortius"; and

4705 (d) without the written consent of the Division of Consumer Protection issued in

4706 accordance with Section 13-34-114 the words:

4707 (i) "university";

4708 (ii) "college"; or

4709 (iii) "institute" or "institution".

4710 Section 156. Section **48-2e-109** is enacted to read:

4711 **48-2e-109. Reservation of name.**

4712 (1) A person may reserve the exclusive use of a name that complies with Section  
4713 48-2e-108 by delivering an application to the division for filing. The application must state the  
4714 name and address of the applicant and the name to be reserved. If the division finds that the  
4715 name is available, the division shall reserve the name for the applicant's exclusive use for 120  
4716 days.

4717 (2) The owner of a reserved name may transfer the reservation to another person by  
4718 delivering to the division a signed notice in a record of the transfer which states the name and  
4719 address of the transferee.

4720 Section 157. Section **48-2e-110** is enacted to read:

4721 **48-2e-110. Registration of name.**

4722 (1) A foreign limited partnership not registered to do business in this state under Part 9,  
4723 Foreign Limited Partnerships, may register its name, or an alternate name adopted pursuant to  
4724 Section 48-2e-906, if the name is distinguishable on the records of the division from the names  
4725 that are not available under Section 48-2e-108.

4726 (2) To register its name or an alternate name adopted pursuant to Section 48-2e-906, a  
4727 foreign limited partnership must deliver to the division for filing an application stating the  
4728 foreign limited partnership's name, the jurisdiction and date of its formation, and any alternate  
4729 name adopted pursuant to Section 48-2e-906. If the division finds that the name applied for is  
4730 available, the division shall register the name for the applicant's exclusive use.

4731 (3) The registration of a name under this section is effective for one year after the date  
4732 of registration.

4733 (4) A foreign limited partnership whose name registration is effective may renew the

4734 registration for successive one-year periods by delivering, not earlier than three months before  
4735 the expiration of the registration, to the division for filing a renewal application that complies  
4736 with this section. When filed, the renewal application renews the registration for a succeeding  
4737 one-year period.

4738 (5) A foreign limited partnership whose name registration is effective may register as a  
4739 foreign limited partnership under the registered name or consent in a signed record to the use of  
4740 that name by another person that is not an individual.

4741 Section 158. Section **48-2e-111** is enacted to read:

4742 **48-2e-111. Registered agent.**

4743 (1) Each limited partnership and each registered foreign limited partnership shall  
4744 designate in accordance with Section 16-17-203(1) and maintain a registered agent in this state.

4745 (2) A limited partnership or registered foreign limited partnership may change its  
4746 registered agent or the address of its registered agent by filing with the division a statement of  
4747 change in accordance with Section 16-17-206.

4748 Section 159. Section **48-2e-112** is enacted to read:

4749 **48-2e-112. Partnership agreement -- Scope, function, and limitations.**

4750 (1) Except as otherwise provided in Subsections (3) and (4), the partnership agreement  
4751 governs:

4752 (a) relations among the partners as partners and between the partners and the limited  
4753 partnership;

4754 (b) the activities and affairs of the limited partnership and the conduct of those  
4755 activities and affairs; and

4756 (c) the means and conditions for amending the partnership agreement.

4757 (2) To the extent the partnership agreement does not provide for a matter described in  
4758 Subsection (1), this chapter governs the matter.

4759 (3) A partnership agreement may not:

4760 (a) vary a limited partnership's capacity under Section 48-2e-105 to sue and be sued in  
4761 its own name;

- 4762 (b) vary the law applicable under Section 48-2e-106;
- 4763 (c) vary any requirement, procedure, or other provision of this chapter pertaining to:
- 4764 (i) registered agents; or
- 4765 (ii) the division, including provisions pertaining to records authorized or required to be
- 4766 delivered to the division for filing under this chapter;
- 4767 (d) vary the provisions of Section 48-2e-204;
- 4768 (e) vary the right of a general partner under Subsection 48-2e-406(2)(b) to vote on or
- 4769 consent to an amendment to the certificate of limited partnership which deletes a statement that
- 4770 the limited partnership is a limited liability limited partnership;
- 4771 (f) eliminate the duty of loyalty or the duty of care except as otherwise provided in
- 4772 Subsection (4);
- 4773 (g) eliminate the contractual obligation of good faith and fair dealing under
- 4774 Subsections 48-2e-305(1) and 48-2e-409(4), but the partnership agreement may prescribe the
- 4775 standards, if not unconscionable or against public policy, by which the performance of the
- 4776 obligation is to be measured;
- 4777 (h) relieve or exonerate a person from liability for conduct involving bad faith, willful
- 4778 misconduct, or recklessness;
- 4779 (i) vary the information required under Section 48-2e-115 or unreasonably restrict the
- 4780 duties and rights under Section 48-2e-304 or 48-2e-407, but the partnership agreement may
- 4781 impose reasonable restrictions on the availability and use of information obtained under those
- 4782 sections and may define appropriate remedies, including liquidated damages, for a breach of
- 4783 any reasonable restriction on use;
- 4784 (j) vary the power of a person to dissociate as a general partner under Subsection
- 4785 48-2e-604(1) except to require that the notice under Subsection 48-2e-603(1) be in a record;
- 4786 (k) vary the causes of dissolution specified in Subsection 48-2e-801(1)(f);
- 4787 (l) vary the requirement to wind up the limited partnership's activities and affairs as
- 4788 specified in Subsections 48-2e-802(1), (2)(a), and (4);
- 4789 (m) unreasonably restrict the right of a partner to maintain an action under Part 10,

4790 Actions by Partners:

4791 (n) vary the provisions of Section 48-2e-1005, but the partnership agreement may  
4792 provide that the limited partnership may not have a special litigation committee;

4793 (o) vary the right of a partner to approve a merger, interest exchange, conversion, or  
4794 domestication under Subsection 48-2e-1123(1)(b), 48-2e-1133(1)(b), 48-2e-1143(1)(b), or  
4795 48-2e-1153(1)(b); or

4796 (p) except as otherwise provided in Section 48-2e-113 and Subsection 48-2e-114(2),  
4797 restrict the rights under this chapter of a person other than a partner.

4798 (4) Subject to Subsection (3)(h), without limiting other terms that may be included in a  
4799 partnership agreement, the following rules apply:

4800 (a) The partnership agreement may specify the method by which a specific act or  
4801 transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one  
4802 or more disinterested and independent persons after full disclosure of all material facts.

4803 (b) If not unconscionable or against public policy, the partnership agreement may:

4804 (i) alter or eliminate the aspects of the duty of loyalty stated in Subsection  
4805 48-2e-409(2);

4806 (ii) identify specific types or categories of activities that do not violate the duty of  
4807 loyalty;

4808 (iii) alter the duty of care, but may not authorize intentional misconduct or knowing  
4809 violation of law; and

4810 (iv) alter or eliminate any other fiduciary duty.

4811 (5) The court shall decide as a matter of law whether a term of a partnership agreement  
4812 is unconscionable or against public policy under Subsection (3)(g) or (4)(b). The court:

4813 (a) shall make its determination as of the time the challenged term became part of the  
4814 partnership agreement and by considering only circumstances existing at that time; and

4815 (b) may invalidate the term only if, in light of the purposes, activities, and affairs of the  
4816 limited partnership, it is readily apparent that:

4817 (i) the objective of the term is unconscionable or against public policy; or

4818 (ii) the means to achieve the term's objective is unconscionable or against public  
4819 policy.

4820 Section 160. Section **48-2e-113** is enacted to read:

4821 **48-2e-113. Partnership agreement -- Effect on limited partnership and person**  
4822 **becoming partner -- Preformation agreement.**

4823 (1) A limited partnership is bound by and may enforce the partnership agreement,  
4824 whether or not the limited partnership has itself manifested assent to the partnership agreement.

4825 (2) A person that becomes a partner of a limited partnership is deemed to assent to the  
4826 partnership agreement.

4827 (3) Two or more persons intending to become the initial partners of a limited  
4828 partnership may make an agreement providing that upon the formation of the limited  
4829 partnership the agreement will become the limited partnership agreement.

4830 Section 161. Section **48-2e-114** is enacted to read:

4831 **48-2e-114. Partnership agreement -- Effect on third parties and relationship to**  
4832 **records effective on behalf of limited partnership.**

4833 (1) A partnership agreement may specify that its amendment requires the approval of a  
4834 person that is not a party to the partnership agreement or the satisfaction of a condition. An  
4835 amendment is ineffective if its adoption does not include the required approval or satisfy the  
4836 specified condition.

4837 (2) The obligations of a limited partnership and its partners to a person in the person's  
4838 capacity as a transferee or person dissociated as a partner are governed by the partnership  
4839 agreement. Subject only to a court order issued under Subsection 48-2e-703(2)(b) to effectuate  
4840 a charging order, an amendment to the partnership agreement made after a person becomes a  
4841 transferee or is dissociated as a partner:

4842 (a) is effective with regard to any debt, obligation, or other liability of the limited  
4843 partnership or its partners to the person in the person's capacity as a transferee or person  
4844 dissociated as a partner; and

4845 (b) is not effective to the extent the amendment imposes a new debt, obligation, or

4846 other liability on the transferee or person dissociated as a partner.

4847 (3) If a record delivered by a limited partnership to the division for filing becomes  
4848 effective and contains a provision that would be ineffective under Subsection 48-2e-112(3) or  
4849 (4)(b) if contained in the partnership agreement, the provision is ineffective in the record.

4850 (4) Subject to Subsection (3), if a record delivered by a limited partnership to the  
4851 division for filing becomes effective and conflicts with a provision of the partnership  
4852 agreement:

4853 (a) the partnership agreement prevails as to partners, persons dissociated as partners,  
4854 and transferees; and

4855 (b) the record prevails as to other persons to the extent they reasonably rely on the  
4856 record.

4857 Section 162. Section **48-2e-115** is enacted to read:

4858 **48-2e-115. Required information.**

4859 A limited partnership shall maintain at its principal office the following information:

4860 (1) a current list showing the full name and last known street and mailing address of  
4861 each partner, separately identifying the general partners, in alphabetical order, and the limited  
4862 partners, in alphabetical order;

4863 (2) a copy of the initial certificate of limited partnership and all amendments to and  
4864 restatements of the certificate, together with signed copies of any powers of attorney under  
4865 which any certificate, amendment, or restatement has been signed;

4866 (3) a copy of any filed statement of merger, interest exchange, conversion, or  
4867 domestication;

4868 (4) a copy of the limited partnership's federal, state, and local income tax returns and  
4869 reports, if any, for the three most recent years;

4870 (5) a copy of any partnership agreement made in a record and any amendment made in  
4871 a record to any partnership agreement;

4872 (6) a copy of any financial statement of the limited partnership for the three most recent  
4873 years;

4874 (7) a copy of the three most recent annual reports delivered by the limited partnership  
4875 to the division pursuant to Section 48-2e-212;

4876 (8) a copy of any record made by the limited partnership during the past three years of  
4877 any consent given by or vote taken of any partner pursuant to this chapter or the partnership  
4878 agreement; and

4879 (9) unless contained in a partnership agreement made in a record, a record stating:

4880 (a) a description and statement of the agreed value of contributions other than money  
4881 made and agreed to be made by each partner;

4882 (b) the times at which, or events on the happening of which, any additional  
4883 contributions agreed to be made by each partner are to be made;

4884 (c) for any person that is both a general partner and a limited partner, a specification of  
4885 what transferable interest the person owns in each capacity; and

4886 (d) any events upon the happening of which the limited partnership is to be dissolved  
4887 and its activities and affairs wound up.

4888 Section 163. Section **48-2e-116** is enacted to read:

4889 **48-2e-116. Dual capacity.**

4890 A person may be both a general partner and a limited partner. A person that is both a  
4891 general and limited partner has the rights, powers, duties, and obligations provided by this  
4892 chapter and the partnership agreement in each of those capacities. When the person acts as a  
4893 general partner, the person is subject to the obligations, duties, and restrictions under this  
4894 chapter and the partnership agreement for general partners. When the person acts as a limited  
4895 partner, the person is subject to the obligations, duties, and restrictions under this chapter and  
4896 the partnership agreement for limited partners.

4897 Section 164. Section **48-2e-117** is enacted to read:

4898 **48-2e-117. Delivery of record.**

4899 (1) Except as otherwise provided in this chapter, permissible means of delivery of a  
4900 record include delivery by hand, the United States Postal Service, a commercial delivery  
4901 service, and electronic transmission.

4902 (2) Delivery to the division is effective only when a record is received by the division.

4903 Section 165. Section **48-2e-118** is enacted to read:

4904 **48-2e-118. Reservation of power to amend or repeal.**

4905 The Legislature of this state has power to amend or repeal all or part of this chapter at  
4906 any time, and all domestic and foreign limited partnerships subject to this chapter are governed  
4907 by the amendment or repeal.

4908 Section 166. Section **48-2e-201** is enacted to read:

4909 **Part 2. Formation -- Certificate of Limited Partnership and Other Filings**

4910 **48-2e-201. Formation of limited partnership -- Certificate of limited partnership.**

4911 (1) To form a limited partnership, a person must deliver a certificate of limited  
4912 partnership to the division for filing.

4913 (2) The certificate of limited partnership must state:

4914 (a) the name of the limited partnership, which must comply with Section 48-2e-108;

4915 (b) the street and mailing address of the limited partnership's principal office;

4916 (c) the information required by Subsection 16-17-203(1);

4917 (d) the name and the street and mailing addresses of each general partner; and

4918 (e) whether the limited partnership is a limited liability limited partnership.

4919 (3) A certificate of limited partnership may contain statements as to matters other than  
4920 those required by Subsection (2), but may not vary or otherwise affect the provisions specified  
4921 in Subsection 48-2e-112(3) in a manner inconsistent with that Subsection (2).

4922 (4) A limited partnership is formed when:

4923 (a) the certificate of limited partnership has become effective;

4924 (b) at least two persons have become partners;

4925 (c) at least one person has become a general partner; and

4926 (d) at least one person has become a limited partner.

4927 Section 167. Section **48-2e-202** is enacted to read:

4928 **48-2e-202. Amendment of restatement of certificate of limited partnership.**

4929 (1) A certificate of limited partnership may be amended or restated at any time.

4930           (2) To amend its certificate of limited partnership, a limited partnership must deliver to  
4931 the division for filing an amendment stating:

4932           (a) the name of the limited partnership;

4933           (b) the date of filing of its initial certificate of limited partnership; and

4934           (c) the changes the amendment makes to the certificate of limited partnership as most  
4935 recently amended or restated.

4936           (3) To restate its certificate of limited partnership, a limited partnership must deliver to  
4937 the division for filing a restatement designated as such in its heading.

4938           (4) A limited partnership shall promptly deliver to the division for filing an amendment  
4939 to a certificate of limited partnership to reflect:

4940           (a) the admission of a new general partner;

4941           (b) the dissociation of a person as a general partner; or

4942           (c) the appointment of a person to wind up the limited partnership's activities and  
4943 affairs under Subsection 48-2e-802(3) or (4).

4944           (5) If a general partner knows that any information in a filed certificate of limited  
4945 partnership was inaccurate when the certificate of limited partnership was filed or has become  
4946 inaccurate due to changed circumstances, the general partner shall promptly:

4947           (a) cause the certificate of limited partnership to be amended; or

4948           (b) if appropriate, deliver to the division for filing a statement of change under Section  
4949 16-17-206 or a statement of correction under Section 48-2e-208.

4950           Section 168. Section **48-2e-203** is enacted to read:

4951           **48-2e-203. Signing of records to be delivered for filing to division.**

4952           (1) A record delivered to the division for filing pursuant to this chapter must be signed  
4953 as follows:

4954           (a) An initial certificate of limited partnership must be signed by all general partners  
4955 listed in the certificate of limited partnership.

4956           (b) An amendment to the certificate of limited partnership adding or deleting a  
4957 statement that the limited partnership is a limited liability limited partnership must be signed by

4958 all general partners listed in the certificate of limited partnership.

4959 (c) An amendment to the certificate of limited partnership designating as general  
4960 partner a person admitted under Subsection 48-2e-801(1)(c)(ii) following the dissociation of a  
4961 limited partnership's last general partner must be signed by that person.

4962 (d) An amendment to the certificate of limited partnership required by Subsection  
4963 48-2e-802(3) following the appointment of a person to wind up the dissolved limited  
4964 partnership's activities and affairs must be signed by that person.

4965 (e) Any other amendment to the certificate of limited partnership must be signed by:

4966 (i) at least one general partner listed in the certificate of limited partnership;

4967 (ii) each other person designated in the amendment as a new general partner; and

4968 (iii) each person that the amendment indicates has dissociated as a general partner.

4969 unless:

4970 (A) the person is deceased or a guardian or general conservator has been appointed for  
4971 the person and the amendment so states; or

4972 (B) the person has previously delivered to the division for filing a statement of  
4973 dissociation.

4974 (f) A restated certificate of limited partnership must be signed by at least one general  
4975 partner listed in the certificate of limited partnership, and, to the extent the restated certificate  
4976 of limited partnership effects a change under any other subsection of this section, the certificate  
4977 of limited partnership must be signed in a manner that satisfies that subsection.

4978 (g) A statement of termination must be signed by all general partners listed in the  
4979 certificate of limited partnership or, if the certificate of a dissolved limited partnership lists no  
4980 general partners, by the person appointed pursuant to Subsection 48-2e-802(3) or (4) to wind  
4981 up the dissolved limited partnership's activities and affairs.

4982 (h) Any other record delivered by a limited partnership to the division for filing must  
4983 be signed by at least one general partner listed in the certificate of limited partnership.

4984 (i) A statement by a person pursuant to Subsection 48-2e-605(1)(c) stating that the  
4985 person has dissociated as a general partner must be signed by that person.

4986            (j) A statement of negation by a person pursuant to Subsection 48-2e-306(1)(b) must  
4987 be signed by that person.

4988            (k) A record delivered on behalf of a foreign limited partnership to the division for  
4989 filing must be signed by at least one general partner of the foreign limited partnership.

4990            (l) Any other record delivered on behalf of any person to the division for filing must be  
4991 signed by that person.

4992            (2) Any record filed under this chapter may be signed by an agent. Whenever this  
4993 chapter requires a particular individual to sign a record and the individual is deceased or  
4994 incompetent, the record may be signed by a legal representative of the individual.

4995            (3) A person that signs a record as an agent or legal representative thereby affirms as a  
4996 fact that the person is authorized to sign the record.

4997            Section 169. Section **48-2e-204** is enacted to read:

4998            **48-2e-204. Signing and filing pursuant to judicial order.**

4999            (1) If a person required by this chapter to sign a record or deliver a record to the  
5000 division for filing under this chapter does not do so, any other person that is aggrieved may  
5001 petition the district court to order:

5002            (a) the person to sign the record;

5003            (b) the person to deliver the record to the division for filing; or

5004            (c) the division to file the record unsigned.

5005            (2) If the petitioner under Subsection (1) is not the limited partnership or foreign  
5006 limited partnership to which the record pertains, the petitioner shall make the limited  
5007 partnership or foreign limited partnership a party to the action.

5008            (3) A record filed under Subsection (1)(c) is effective without being signed.

5009            Section 170. Section **48-2e-205** is enacted to read:

5010            **48-2e-205. Filing requirements.**

5011            (1) To be filed by the division pursuant to this chapter, a record must be received by  
5012 the division, comply with this chapter, and satisfy the following:

5013            (a) The filing of the record must be required or permitted by this chapter.

5014 (b) The record must be physically delivered in written form unless and to the extent the  
5015 division permits electronic delivery of records.

5016 (c) The words in the record must be in English, and numbers must be in Arabic or  
5017 Roman numerals, but the name of an entity need not be in English if written in English letters  
5018 or Arabic or Roman numerals.

5019 (d) The record must be signed by a person authorized under this chapter to sign the  
5020 record.

5021 (e) The record must state the name and capacity, if any, of each individual who signed  
5022 it, either on behalf of the individual or the person authorized or required to sign the record, but  
5023 need not contain a seal, attestation, acknowledgment, or verification.

5024 (2) If law other than this chapter prohibits the disclosure by the division of information  
5025 contained in a record delivered to the division for filing, the division shall accept the record if  
5026 the record otherwise complies with this chapter but the division may redact the information.

5027 (3) When a record is delivered to the division for filing, any fee required under this  
5028 chapter and any fee, tax, interest, or penalty required to be paid under this chapter, or law other  
5029 than this chapter, must be paid in a manner permitted by the division or by that law.

5030 (4) The division may require that a record delivered in written form be accompanied by  
5031 an identical or conformed copy.

5032 Section 171. Section **48-2e-206** is enacted to read:

5033 **48-2e-206. Effective time and date.**

5034 Except as otherwise provided in Section 48-2e-207 and subject to Subsection  
5035 48-2e-208(4), a record filed under this chapter is effective:

5036 (1) on the date and at the time of its filing by the division, as provided in Section  
5037 48-2e-209;

5038 (2) on the date of filing and at the time specified in the record as its effective time, if  
5039 later than the time under Subsection (1);

5040 (3) at a specified delayed effective time and date, which may not be more than 90 days  
5041 after the date of filing; or

5042 (4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the  
5043 date specified, which may not be more than 90 days after the date of filing.

5044 Section 172. Section **48-2e-207** is enacted to read:

5045 **48-2e-207. Withdrawal of filed record before effectiveness.**

5046 (1) Except as otherwise provided in Sections 48-2e-1124, 48-2e-1134, 48-2e-1144, and  
5047 48-2e-1154, a record delivered to the division for filing may be withdrawn before it takes effect  
5048 by delivering to the division for filing a statement of withdrawal.

5049 (2) A statement of withdrawal must:

5050 (a) be signed by each person that signed the record being withdrawn, except as  
5051 otherwise agreed by those persons;

5052 (b) identify the record to be withdrawn; and

5053 (c) if signed by fewer than all the persons that signed the record being withdrawn, state  
5054 that the record is withdrawn in accordance with the agreement of all the persons that signed the  
5055 record.

5056 (3) On filing by the division of a statement of withdrawal, the action or transaction  
5057 evidenced by the original record does not take effect.

5058 Section 173. Section **48-2e-208** is enacted to read:

5059 **48-2e-208. Correcting filed record.**

5060 (1) A person on whose behalf a filed record was delivered to the division for filing may  
5061 correct the record if:

5062 (a) the record at the time of filing was inaccurate;

5063 (b) the record was defectively signed; or

5064 (c) the electronic transmission of the record to the division was defective.

5065 (2) To correct a filed record, a person on whose behalf the record was delivered to the  
5066 division must deliver to the division for filing a statement of correction.

5067 (3) A statement of correction:

5068 (a) may not state a delayed effective date;

5069 (b) must be signed by the person correcting the filed record;

- 5070 (c) must identify the filed record to be corrected;  
5071 (d) must specify the inaccuracy or defect to be corrected; and  
5072 (e) must correct the inaccuracy or defect.  
5073 (4) A statement of correction is effective as of the effective date of the filed record that  
5074 it corrects except for purposes of Subsection 48-2e-103(4) and as to persons relying on the  
5075 uncorrected filed record and adversely affected by the correction. For those purposes and as to  
5076 those persons, the statement of correction is effective when filed.

5077 Section 174. Section **48-2e-209** is enacted to read:

5078 **48-2e-209. Duty of division to file -- Review of refusal to file -- Transmission of**  
5079 **information by the division.**

5080 (1) The division shall file a record delivered to the division for filing which satisfies  
5081 this chapter. The duty of the division under this section is ministerial.

5082 (2) When the division files a record, the division shall record it as filed on the date and  
5083 at the time of its delivery. After filing a record, the division shall deliver to the person that  
5084 submitted the record a copy of the record with an acknowledgment of the date and time of  
5085 filing.

5086 (3) If the division refuses to file a record, the division, not later than 15 business days  
5087 after the record is delivered, shall:

5088 (a) return the record or notify the person that submitted the record of the refusal; and

5089 (b) provide a brief explanation in a record of the reason for the refusal.

5090 (4) If the division refuses to file a record, the person that submitted the record may  
5091 petition the district court to compel filing of the record. The record and the explanation of the  
5092 division of the refusal to file must be attached to the petition. The court may decide the matter  
5093 in a summary proceeding.

5094 (5) The filing of or refusal to file a record does not create a presumption that the  
5095 information contained in the filing is correct or incorrect.

5096 (6) Except as otherwise provided by Section 16-17-301 or by law other than this  
5097 chapter, the division may deliver any record to a person by delivering it:

- 5098 (a) in person to the person that submitted it;
- 5099 (b) to the address of the person's registered agent;
- 5100 (c) to the principal office of the person; or
- 5101 (d) to another address the person provides to the division for delivery.

5102 Section 175. Section **48-2e-210** is enacted to read:

5103 **48-2e-210. Liability for inaccurate information in filed record.**

5104 (1) If a record delivered to the division for filing under this chapter and filed by the  
5105 division contains inaccurate information, a person that suffers loss by reliance on the  
5106 information may recover damages for the loss from:

5107 (a) a person that signed the record, or caused another to sign it on the person's behalf,  
5108 and knew the information to be inaccurate at the time the record was signed; and

5109 (b) a general partner if:

5110 (i) the record was delivered for filing on behalf of the limited partnership; and

5111 (ii) the general partner had notice of the inaccuracy for a reasonably sufficient time

5112 before the information was relied upon so that, before the reliance, the general partner  
5113 reasonably could have:

5114 (A) effected an amendment under Section 48-2e-202;

5115 (B) filed a petition under Section 48-2e-204; or

5116 (C) delivered to the division for filing a statement of change under Section 16-17-206  
5117 or a statement of correction under Section 48-2e-208.

5118 (2) An individual who signs a record authorized or required to be filed under this  
5119 chapter affirms under penalty of perjury that the information stated in the record is accurate.

5120 Section 176. Section **48-2e-211** is enacted to read:

5121 **48-2e-211. Certificate of good standing or registration.**

5122 (1) On request of any person, the division shall issue a certificate of good standing for a  
5123 limited partnership or a certificate of registration for a registered foreign limited partnership.

5124 (2) A certificate under Subsection (1) must state:

5125 (a) the limited partnership's name or the registered foreign limited partnership's name

5126 used in this state;  
5127 (b) in the case of a limited partnership:  
5128 (i) that a certificate of limited partnership has been filed and has taken effect;  
5129 (ii) the date the certificate of limited partnership became effective;  
5130 (iii) the period of the limited partnership's duration if the records of the division reflect  
5131 that its period of duration is less than perpetual; and  
5132 (iv) that:  
5133 (A) no statement of dissolution, statement of administrative dissolution, or statement of  
5134 termination has been filed;  
5135 (B) the records of the division do not otherwise reflect that the limited partnership has  
5136 been dissolved or terminated; and  
5137 (C) a proceeding is not pending under Section 48-2e-810;  
5138 (c) in the case of a registered foreign limited partnership, that it is registered to do  
5139 business in this state;  
5140 (d) that all fees, taxes, interest, and penalties owed to this state by the limited  
5141 partnership or the registered foreign limited partnership and collected through the division have  
5142 been paid, if:  
5143 (i) payment is reflected in the records of the division; and  
5144 (ii) nonpayment affects the good standing or registration of the limited partnership or  
5145 registered foreign limited partnership;  
5146 (e) that the most recent annual report required by Section 48-2e-212 has been delivered  
5147 to the division for filing; and  
5148 (f) other facts reflected in the records of the division pertaining to the limited  
5149 partnership or foreign limited partnership which the person requesting the certificate  
5150 reasonably requests.  
5151 (3) Subject to any qualification stated in the certificate, a certificate issued by the  
5152 division under Subsection (1) may be relied upon as conclusive evidence of the facts stated in  
5153 the certificate.

5154 Section 177. Section **48-2e-212** is enacted to read:

5155 **48-2e-212. Annual report for division.**

5156 (1) A limited partnership or a registered foreign limited partnership shall deliver to the  
5157 division for filing an annual report that states:

5158 (a) the name of the limited partnership or foreign limited partnership;

5159 (b) the information required by Subsection 16-17-203(1);

5160 (c) the street and mailing addresses of its principal office;

5161 (d) the name of at least one general partner; and

5162 (e) in the case of a foreign limited partnership, the jurisdiction whose law governs the  
5163 foreign limited partnership's internal affairs and any alternate name adopted under Subsection  
5164 48-2e-906(1).

5165 (2) Information in the annual report must be current as of the date the report is signed  
5166 by the limited partnership or registered foreign limited partnership.

5167 (3) A report must be delivered to the division for each year following the calendar year  
5168 in which the limited partnership's certificate of limited partnership became effective or the  
5169 registered foreign limited partnership registered to do business in this state:

5170 (a) in the case of a limited partnership, the annual report must be delivered to the  
5171 division during the month in which is the anniversary date on which the limited partnership  
5172 certificate of limited partnership became effective; and

5173 (b) in the case of a registered foreign limited partnership, the annual report must be  
5174 delivered to the division during the month in which is the anniversary date on which the  
5175 registered foreign limited partnership registered to do business in this state.

5176 (4) If an annual report does not contain the information required by this section, the  
5177 division promptly shall notify the reporting limited partnership or registered foreign limited  
5178 partnership in a record and return the report for correction.

5179 (5) If an annual report contains the name or address of a registered agent which differs  
5180 from the information shown in the records of the division immediately before the annual report  
5181 becomes effective, the differing information in the annual report is considered a statement of

5182 change under Section 16-17-206.

5183 Section 178. Section **48-2e-301** is enacted to read:

5184 **Part 3. Limited Partners**

5185 **48-2e-301. Becoming limited partners.**

5186 (1) Upon formation of a limited partnership, a person becomes a limited partner as  
5187 agreed among the persons that are to be the initial partners.

5188 (2) After formation, a person becomes a limited partner:

5189 (a) as provided in the partnership agreement;

5190 (b) as the result of a transaction effective under Part 11, Merger, Interest Exchange,  
5191 Conversion, and Domestication;

5192 (c) with the affirmative vote or consent of all the partners; or

5193 (d) as provided in Subsection 48-2e-801(1)(d) or (1)(e).

5194 (3) A person may become a partner without:

5195 (a) acquiring a transferable interest; or

5196 (b) making or being obligated to make a contribution to the limited partnership.

5197 Section 179. Section **48-2e-302** is enacted to read:

5198 **48-2e-302. No agency power of limited partner as limited partner.**

5199 (1) A limited partner is not an agent of a limited partnership solely by reason of being a  
5200 limited partner.

5201 (2) A person's status as a limited partner does not prevent or restrict law other than this  
5202 chapter from imposing liability on a limited partnership because of the person's conduct.

5203 Section 180. Section **48-2e-303** is enacted to read:

5204 **48-2e-303. No liability as limited partner for limited partnership obligations.**

5205 (1) A debt, obligation, or other liability of a limited partnership is not the debt,  
5206 obligation, or other liability of a limited partner. A limited partner is not personally liable,  
5207 directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other  
5208 liability of the limited partnership solely by reason of being or acting as a limited partner, even  
5209 if the limited partner participates in the management and control of the limited partnership.

5210 (2) The failure of a limited partnership to observe formalities relating to the exercise of  
5211 its powers or management of its activities and affairs is not a ground for imposing liability on a  
5212 limited partner for a debt, obligation, or other liability of the limited partnership.

5213 Section 181. Section **48-2e-304** is enacted to read:

5214 **48-2e-304. Rights to information of limited partner and person dissociated as**  
5215 **limited partner.**

5216 (1) On 10 days' demand, made in a record received by the limited partnership, a limited  
5217 partner may inspect and copy required information during regular business hours in the limited  
5218 partnership's principal office. The limited partner need not have any particular purpose for  
5219 seeking the information.

5220 (2) During regular business hours and at a reasonable location specified by the limited  
5221 partnership, a limited partner may inspect and copy information regarding the activities, affairs,  
5222 financial condition, and other circumstances of the limited partnership as is just and reasonable  
5223 if:

5224 (a) the limited partner seeks the information for a purpose reasonably related to the  
5225 partner's interest as a limited partner;

5226 (b) the limited partner makes a demand in a record received by the limited partnership,  
5227 describing with reasonable particularity the information sought and the purpose for seeking the  
5228 information; and

5229 (c) the information sought is directly connected to the limited partner's purpose.

5230 (3) Not later than 10 days after receiving a demand pursuant to Subsection (2), the  
5231 limited partnership in a record shall inform the limited partner that made the demand of:

5232 (a) the information the limited partnership will provide in response to the demand and  
5233 when and where the limited partnership will provide the information; and

5234 (b) the limited partnership's reasons for declining, if the limited partnership declines to  
5235 provide any demanded information.

5236 (4) Whenever this chapter or a partnership agreement provides for a limited partner to  
5237 vote on or give or withhold consent to a matter, before the vote is cast or consent is given or

5238 withheld, the limited partnership shall, without demand, provide the limited partner with all  
5239 information that is known to the limited partnership and is material to the limited partner's  
5240 decision.

5241 (5) Subject to Subsection (10), on 10 days' demand made in a record received by a  
5242 limited partnership, a person dissociated as a limited partner may have access to information to  
5243 which the person was entitled while a limited partner if:

5244 (a) the information pertains to the period during which the person was a limited  
5245 partner;

5246 (b) the person seeks the information in good faith; and

5247 (c) the person satisfies the requirements imposed on a limited partner by Subsection  
5248 (2).

5249 (6) The limited partnership shall respond to a demand made pursuant to Subsection (5)  
5250 in the manner provided in Subsection (3).

5251 (7) A limited partnership may charge a person that makes a demand under this section  
5252 reasonable costs of copying, limited to the costs of labor and material.

5253 (8) A limited partner or person dissociated as a limited partner may exercise the rights  
5254 under this section through an agent or, in the case of an individual under legal disability, a legal  
5255 representative. Any restriction or condition imposed by the partnership agreement or under  
5256 Subsection (11) applies both to the agent or legal representative and to the limited partner or  
5257 person dissociated as a limited partner.

5258 (9) Subject to Subsection (10), the rights under this section do not extend to a person as  
5259 transferee.

5260 (10) If a limited partner dies, Section 48-2e-704 applies.

5261 (11) In addition to any restriction or condition stated in its partnership agreement, a  
5262 limited partnership, as a matter within the ordinary course of its activities and affairs, may  
5263 impose reasonable restrictions and conditions on access to and use of information to be  
5264 furnished under this section, including designating information confidential and imposing  
5265 nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the

5266 reasonableness of a restriction under this Subsection (11), the limited partnership has the  
5267 burden of proving reasonableness.

5268 Section 182. Section **48-2e-305** is enacted to read:

5269 **48-2e-305. Limited duties of limited partners.**

5270 (1) A limited partner shall discharge any duties to the limited partnership and the other  
5271 partners under the partnership agreement and exercise any rights under this chapter or the  
5272 partnership agreement consistently with the contractual obligation of good faith and fair  
5273 dealing.

5274 (2) Except as otherwise provided in Subsection (1), a limited partner does not have any  
5275 duty to the limited partnership or to any other partner solely by reason of acting as a limited  
5276 partner.

5277 (3) If a limited partner enters into a transaction with a limited partnership, the limited  
5278 partner's rights and obligations arising from the transaction are the same as those of a person  
5279 that is not a partner.

5280 Section 183. Section **48-2e-306** is enacted to read:

5281 **48-2e-306. Person erroneously believing self to be limited partner.**

5282 (1) Except as otherwise provided in Subsection (2), a person that makes an investment  
5283 in a business enterprise and erroneously but in good faith believes that the person has become a  
5284 limited partner in the enterprise is not liable for the enterprise's obligations by reason of making  
5285 the investment, receiving distributions from the enterprise, or exercising any rights of or  
5286 appropriate to a limited partner, if, on ascertaining the mistake, the person:

5287 (a) causes an appropriate certificate of limited partnership, amendment, or statement of  
5288 correction to be signed and delivered to the division for filing; or

5289 (b) withdraws from future participation as an owner in the enterprise by signing and  
5290 delivering to the division for filing a statement of negation under this section.

5291 (2) A person that makes an investment described in Subsection (1) is liable to the same  
5292 extent as a general partner to any third party that enters into a transaction with the enterprise,  
5293 believing in good faith that the person is a general partner, before the division files a statement

5294 of negation, certificate of limited partnership, amendment, or statement of correction to show  
5295 that the person is not a general partner.

5296 (3) If a person makes a diligent effort in good faith to comply with Subsection (1)(a)  
5297 and is unable to cause the appropriate certificate of limited partnership, amendment, or  
5298 statement of correction to be signed and delivered to the division for filing, the person has the  
5299 right to withdraw from the enterprise pursuant to Subsection (1)(b) even if the withdrawal  
5300 would otherwise breach an agreement with others that are or have agreed to become co-owners  
5301 of the enterprise.

5302 Section 184. Section **48-2e-401** is enacted to read:

5303 **Part 4. General Partners**

5304 **48-2e-401. Becoming general partner.**

5305 (1) A person becomes a general partner:

5306 (a) upon formation of a limited partnership, as agreed among the persons that are to be  
5307 the initial partners; and

5308 (b) after formation:

5309 (i) as provided in the partnership agreement;

5310 (ii) under Subsection 48-2e-801(1)(c)(ii) following the dissociation of a limited  
5311 partnership's last general partner;

5312 (iii) as the result of a transaction effective under Part 11, Merger, Interest Exchange,  
5313 Conversion, and Domestication; or

5314 (iv) with the affirmative vote or consent of all the partners.

5315 (2) A person may become a general partner without:

5316 (a) acquiring a transferable interest; or

5317 (b) making or being obligated to make a contribution to the limited partnership.

5318 Section 185. Section **48-2e-402** is enacted to read:

5319 **48-2e-402. General partner agent of limited partnership.**

5320 (1) Each general partner is an agent of the limited partnership for the purposes of its  
5321 activities and affairs. An act of a general partner, including the signing of a record in the

5322 limited partnership's name, for apparently carrying on in the ordinary course the limited  
5323 partnership's activities and affairs or activities and affairs of the kind carried on by the limited  
5324 partnership binds the limited partnership, unless the general partner did not have authority to  
5325 act for the limited partnership in the particular matter and the person with which the general  
5326 partner was dealing knew or had notice that the general partner lacked authority.

5327 (2) An act of a general partner which is not apparently for carrying on in the ordinary  
5328 course the limited partnership's activities and affairs or activities and affairs of the kind carried  
5329 on by the limited partnership binds the limited partnership only if the act was actually  
5330 authorized by all the other partners.

5331 Section 186. Section **48-2e-403** is enacted to read:

5332 **48-2e-403. Limited partnership liable for general partner's actionable conduct.**

5333 (1) A limited partnership is liable for loss or injury caused to a person, or for a penalty  
5334 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general  
5335 partner acting in the ordinary course of activities and affairs of the limited partnership or with  
5336 the actual or apparent authority of the limited partnership.

5337 (2) If, in the course of a limited partnership's activities and affairs or while acting with  
5338 actual or apparent authority of the limited partnership, a general partner receives or causes the  
5339 limited partnership to receive money or property of a person not a partner, and the money or  
5340 property is misapplied by a general partner, the limited partnership is liable for the loss.

5341 Section 187. Section **48-2e-404** is enacted to read:

5342 **48-2e-404. General partner's liability.**

5343 (1) Except as otherwise provided in Subsections (2) and (3), all general partners are  
5344 liable jointly and severally for all debts, obligations, and other liabilities of the limited  
5345 partnership unless otherwise agreed by the claimant or provided by law.

5346 (2) A person that becomes a general partner of an existing limited partnership is not  
5347 personally liable for a debt, obligation, or other liability of the limited partnership incurred  
5348 before the person became a general partner.

5349 (3) A debt, obligation, or other liability of a limited partnership incurred while the

5350 limited partnership is a limited liability limited partnership is solely the debt, obligation, or  
5351 other liability of the limited liability limited partnership. A general partner is not personally  
5352 liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other  
5353 liability of the limited liability limited partnership solely by reason of being or acting as a  
5354 general partner. This Subsection (3) applies despite anything inconsistent in the partnership  
5355 agreement that existed immediately before the vote or consent required to become a limited  
5356 liability limited partnership under Subsection 48-2e-406(2)(b).

5357 (4) The failure of a limited liability limited partnership to observe formalities relating  
5358 to the exercise of its powers or management of its activities and affairs is not a ground for  
5359 imposing liability on a general partner of the limited liability limited partnership for a debt,  
5360 obligation, or liability of the limited partnership.

5361 (5) An amendment of a certificate of limited partnership which deletes a statement that  
5362 the limited partnership is a limited liability limited partnership does not affect the limitation in  
5363 this section on liability of a general partner for a debt, obligation, or other liability of the  
5364 limited partnership incurred before the amendment became effective.

5365 Section 188. Section **48-2e-405** is enacted to read:

5366 **48-2e-405. Actions by and against partnership and partners.**

5367 (1) To the extent not inconsistent with Section 48-2e-404, a general partner may be  
5368 joined in an action against the limited partnership or named in a separate action.

5369 (2) A judgment against a limited partnership is not by itself a judgment against a  
5370 general partner. A judgment against a limited partnership may not be satisfied from a general  
5371 partner's assets unless there is also a judgment against the general partner.

5372 (3) A judgment creditor of a general partner may not levy execution against the assets  
5373 of the general partner to satisfy a judgment based on a claim against the limited partnership,  
5374 unless the general partner is personally liable for the claim under Section 48-2e-404, and:

5375 (a) a judgment based on the same claim has been obtained against the limited  
5376 partnership and a writ of execution on the judgment has been returned unsatisfied in whole or  
5377 in part;

5378           (b) the limited partnership is a debtor in bankruptcy;  
5379           (c) the general partner has agreed that the creditor need not exhaust limited partnership  
5380 assets;  
5381           (d) a court grants permission to the judgment creditor to levy execution against the  
5382 assets of a general partner based on a finding that the limited partnership assets subject to  
5383 execution are clearly insufficient to satisfy the judgment, that exhaustion of assets is  
5384 excessively burdensome, or that the grant of permission is an appropriate exercise of the court's  
5385 equitable powers; or  
5386           (e) liability is imposed on the general partner by law or contract independent of the  
5387 existence of the limited partnership.  
5388           Section 189. Section **48-2e-406** is enacted to read:  
5389           **48-2e-406. Management rights of general partner.**  
5390           (1) Each general partner has equal rights in the management and conduct of the limited  
5391 partnership's activities and affairs. Except as otherwise provided in this chapter, any matter  
5392 relating to the activities and affairs of the limited partnership is decided exclusively by the  
5393 general partner or, if there is more than one general partner, by a majority of the general  
5394 partners.  
5395           (2) The affirmative vote or consent of all partners is required to:  
5396           (a) amend the partnership agreement;  
5397           (b) amend the certificate of limited partnership to add or delete a statement that the  
5398 limited partnership is a limited liability limited partnership;  
5399           (c) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited  
5400 partnership's property, with or without the good will, other than in the usual and regular course  
5401 of the limited partnership's activities and affairs; and  
5402           (d) approve a transaction under Part 11, Merger, Interest Exchange, Conversion, and  
5403 Domestication.  
5404           (3) A limited partnership shall reimburse a general partner for an advance to the limited  
5405 partnership beyond the amount of capital the general partner agreed to contribute.

5406 (4) A payment or advance made by a general partner which gives rise to an obligation  
5407 of the limited partnership under Subsection (3) or Subsection 48-2e-408(1) constitutes a loan to  
5408 the limited partnership which accrues interest from the date of the payment or advance.

5409 (5) A general partner is not entitled to remuneration for services performed for the  
5410 limited partnership.

5411 Section 190. Section **48-2e-407** is enacted to read:

5412 **48-2e-407. Rights to information of general partner and person dissociated as**  
5413 **general partner.**

5414 (1) A general partner may inspect and copy required information during regular  
5415 business hours in the limited partnership's principal office, without having any particular  
5416 purpose for seeking the information.

5417 (2) On reasonable notice, a general partner may inspect and copy during regular  
5418 business hours, at a reasonable location specified by the limited partnership, any record  
5419 maintained by the limited partnership regarding the limited partnership's activities, affairs,  
5420 financial condition, and other circumstances, to the extent the information is material to the  
5421 general partner's rights and duties under the partnership agreement or this chapter.

5422 (3) A limited partnership shall furnish to each general partner:

5423 (a) without demand, any information concerning the limited partnership's activities,  
5424 affairs, financial condition, and other circumstances which the limited partnership knows and  
5425 are material to the proper exercise of the general partner's rights and duties under the  
5426 partnership agreement or this chapter, except to the extent the limited partnership can establish  
5427 that it reasonably believes the general partner already knows the information; and

5428 (b) on demand, any other information concerning the limited partnership's activities,  
5429 affairs, financial condition, and other circumstances, except to the extent the demand or the  
5430 information demanded is unreasonable or otherwise improper under the circumstances.

5431 (4) The duty to furnish information under Subsection (2) also applies to each general  
5432 partner to the extent the general partner knows any of the information described in Subsection  
5433 (2).

5434 (5) Subject to Subsection (8), on 10 days' demand made in a record received by the  
5435 limited partnership, a person dissociated as a general partner may have access to the  
5436 information and records described in Subsections (1) and (2) at the locations specified in those  
5437 subsections if:

5438 (a) the information or record pertains to the period during which the person was a  
5439 general partner;

5440 (b) the person seeks the information or record in good faith; and

5441 (c) the person satisfies the requirements imposed on a limited partner by Subsection  
5442 48-2e-304(2).

5443 (6) The limited partnership shall respond to a demand made pursuant to Subsection (3)  
5444 in the manner provided in Subsection 48-2e-304(3).

5445 (7) A limited partnership may charge a person that makes a demand under this section  
5446 the reasonable costs of copying, limited to the costs of labor and material.

5447 (8) A general partner or person dissociated as a general partner may exercise rights  
5448 under this section through an agent or, in the case of an individual under legal disability, a legal  
5449 representative. Any restriction or condition imposed by the partnership agreement or under  
5450 Subsection (9) applies both to the agent or legal representative and the general partner or  
5451 person dissociated as a general partner.

5452 (9) The rights under this section do not extend to a person as transferee, but if:

5453 (a) a general partner dies, Section 48-2e-704 applies; and

5454 (b) an individual dissociates as a general partner under Subsection 48-2e-603(7)(b) or  
5455 (7)(c), the legal representative of the individual may exercise the rights under Subsection (4) of  
5456 a person dissociated as a general partner.

5457 (10) In addition to any restriction or condition stated in the partnership agreement, a  
5458 limited partnership, as a matter within the ordinary course of its activities and affairs, may  
5459 impose reasonable restrictions and conditions on access to and use of information to be  
5460 furnished under this section, including designating information confidential and imposing  
5461 nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the

5462 reasonableness of a restriction under this Subsection (10), the limited partnership has the  
5463 burden of proving reasonableness.

5464 Section 191. Section **48-2e-408** is enacted to read:

5465 **48-2e-408. Reimbursement, indemnification, advancement, and insurance.**

5466 (1) A limited partnership shall reimburse a general partner for any payment made by  
5467 the general partner in the course of the general partner's activities on behalf of the limited  
5468 partnership, if the general partner complied with Sections 48-2e-406, 48-2e-409, and 48-2e-504  
5469 in making the payment.

5470 (2) A limited partnership shall indemnify and hold harmless a person with respect to  
5471 any claim or demand against the person and any debt, obligation, or other liability incurred by  
5472 the person by reason of the person's former or present capacity as a general partner, if the  
5473 claim, demand, debt, obligation, or other liability does not arise from the person's breach of  
5474 Section 48-2e-406, 48-2e-409, or 48-2e-504.

5475 (3) In the ordinary course of its activities and affairs, a limited partnership may  
5476 advance reasonable expenses, including attorney's fees and costs, incurred by a person in  
5477 connection with a claim or demand against the person by reason of the person's former or  
5478 present capacity as a general partner, if the person promises to repay the limited partnership if  
5479 the person ultimately is determined not to be entitled to be indemnified under Subsection (2).

5480 (4) A limited partnership may purchase and maintain insurance on behalf of a general  
5481 partner against liability asserted against or incurred by the general partner in that capacity or  
5482 arising from that status even if, under Subsection 48-2e-112(3)(h), the partnership agreement  
5483 could not eliminate or limit the person's liability to the limited partnership for the conduct  
5484 giving rise to the liability.

5485 Section 192. Section **48-2e-409** is enacted to read:

5486 **48-2e-409. Standards of conduct for general partners.**

5487 (1) A general partner owes to the limited partnership and, subject to Subsection  
5488 48-2e-1001(1), the other partners the duties of loyalty and care stated in Subsections (2) and  
5489 (3).

- 5490           (2) The duty of loyalty of a general partner includes the duties:  
5491           (a) to account to the limited partnership and hold as trustee for it any property, profit,  
5492 or benefit derived by the general partner:  
5493           (i) in the conduct or winding up of the limited partnership's activities and affairs;  
5494           (ii) from a use by the general partner of the limited partnership's property; or  
5495           (iii) from the appropriation of a limited partnership opportunity;  
5496           (b) to refrain from dealing with the limited partnership in the conduct or winding up of  
5497 the limited partnership's activities and affairs as or on behalf of a person having an interest  
5498 adverse to the limited partnership; and  
5499           (c) to refrain from competing with the limited partnership in the conduct or winding up  
5500 of the limited partnership's activities and affairs.  
5501           (3) The duty of care of a general partner in the conduct or winding up of the limited  
5502 partnership's activities and affairs is to refrain from engaging in grossly negligent or reckless  
5503 conduct, intentional misconduct, or a knowing violation of law.  
5504           (4) A general partner shall discharge the duties and obligations under this chapter or  
5505 under the partnership agreement and exercise any rights consistently with the contractual  
5506 obligation of good faith and fair dealing.  
5507           (5) A general partner does not violate a duty or obligation under this chapter or under  
5508 the partnership agreement solely because the general partner's conduct furthers the general  
5509 partner's own interest.  
5510           (6) All the partners of a limited partnership may authorize or ratify, after full disclosure  
5511 of all material facts, a specific act or transaction by a general partner that otherwise would  
5512 violate the duty of loyalty.  
5513           (7) It is a defense to a claim under Subsection (2)(b) and any comparable claim in  
5514 equity or at common law that the transaction was fair to the limited partnership.  
5515           (8) If, as permitted by Subsection (6) or the partnership agreement, a general partner  
5516 enters into a transaction with the limited partnership which otherwise would be prohibited by  
5517 Subsection (2)(b), the general partner's rights and obligations arising from the transaction are

5518 the same as those of a person that is not a general partner.

5519 Section 193. Section **48-2e-501** is enacted to read:

5520 **Part 5. Contributions and Distributions**

5521 **48-2e-501. Form of contribution.**

5522 A contribution may consist of property transferred to, services performed for, or another  
5523 benefit provided to the limited partnership or an agreement to transfer property to, perform  
5524 services for, or provide another benefit to the limited partnership.

5525 Section 194. Section **48-2e-502** is enacted to read:

5526 **48-2e-502. Liability for contribution.**

5527 (1) A person's obligation to make a contribution to a limited partnership is not excused  
5528 by the person's death, disability, dissolution, or other inability to perform personally.

5529 (2) If a person does not fulfill an obligation to make a contribution other than money,  
5530 the person is obligated at the option of the limited partnership to contribute money equal to the  
5531 value, as stated in the required information, of the part of the contribution which has not been  
5532 made.

5533 (3) The obligation of a person to make a contribution may be compromised only by the  
5534 affirmative vote or consent of all partners. If a creditor of a limited partnership extends credit  
5535 or otherwise acts in reliance on an obligation described in Subsection (1) without notice of any  
5536 compromise under this subsection, the creditor may enforce the original obligation.

5537 Section 195. Section **48-2e-503** is enacted to read:

5538 **48-2e-503. Sharing of and right to distributions before dissolution.**

5539 (1) Except to the extent necessary to comply with a transfer effective under Section  
5540 48-2e-702 or charging order in effect under Section 48-2e-703, any distributions made by a  
5541 limited partnership before its dissolution and winding up must be in equal shares among  
5542 partners and persons dissociated as partners.

5543 (2) A person has a right to a distribution before the dissolution and winding up of a  
5544 limited partnership only if the limited partnership decides to make an interim distribution. A  
5545 person's dissociation does not entitle the person to a distribution.

5546 (3) A person does not have a right to demand or receive a distribution from a limited  
5547 partnership in any form other than money. Except as otherwise provided in Subsection  
5548 48-2e-813(5), a partnership may distribute an asset in kind only if each part of the asset is  
5549 fungible with each other part and each person receives a percentage of the asset equal in value  
5550 to the person's share of distributions.

5551 (4) If a partner or transferee becomes entitled to receive a distribution, the partner or  
5552 transferee has the status of, and is entitled to all remedies available to, a creditor of the limited  
5553 partnership with respect to the distribution. However, the limited partnership's obligation to  
5554 make a distribution is subject to offset for any amount owed to the limited partnership by the  
5555 partner or a person dissociated as a partner on whose account the distribution is made.

5556 Section 196. Section **48-2e-504** is enacted to read:

5557 **48-2e-504. Limitations on distributions.**

5558 (1) A limited partnership may not make a distribution, including a distribution under  
5559 Section 48-2e-813, if after the distribution:

5560 (a) the limited partnership would not be able to pay its debts as they become due in the  
5561 ordinary course of the limited partnership's activities and affairs; or

5562 (b) the limited partnership's total assets would be less than the sum of its total liabilities  
5563 plus, unless the partnership agreement permits otherwise, the amount that would be needed, if  
5564 the limited partnership were to be dissolved and wound up at the time of the distribution, to  
5565 satisfy the preferential rights upon dissolution and winding up of partners and transferees  
5566 whose preferential rights are superior to those of persons receiving the distribution.

5567 (2) A limited partnership may base a determination that a distribution is not prohibited  
5568 under Subsection (1) on:

5569 (a) financial statements prepared on the basis of accounting practices and principles  
5570 that are reasonable in the circumstances; or

5571 (b) a fair valuation or other method that is reasonable under the circumstances.

5572 (3) Except as otherwise provided in Subsection (5), the effect of a distribution under  
5573 Subsection (1) is measured:

5574 (a) in the case of distribution as defined in Subsection 48-2e-102(4)(a), as of the earlier  
5575 of:

5576 (i) the date money or other property is transferred or debt is incurred by the limited  
5577 partnership; or

5578 (ii) the date the person entitled to the distribution ceases to own the interest or right  
5579 being acquired by the limited partnership in return for the distribution;

5580 (b) in the case of any other distribution of indebtedness, as of the date the indebtedness  
5581 is distributed; and

5582 (c) in all other cases, as of the date:

5583 (i) the distribution is authorized, if the payment occurs not later than 120 days after that  
5584 date; or

5585 (ii) the payment is made, if payment occurs more than 120 days after the distribution is  
5586 authorized.

5587 (4) A limited partnership's indebtedness to a partner or transferee incurred by reason of  
5588 a distribution made in accordance with this section is at parity with the limited partnership's  
5589 indebtedness to its general, unsecured creditors, except to the extent subordinated by  
5590 agreement.

5591 (5) A limited partnership's indebtedness, including indebtedness issued as a  
5592 distribution, is not considered a liability for purposes of Subsection (1) if the terms of the  
5593 indebtedness provide that payment of principal and interest is made only if and to the extent  
5594 that payment of a distribution could then be made under this section. If the indebtedness is  
5595 issued as a distribution, each payment of principal or interest is treated as a distribution, the  
5596 effect of which is measured on the date the payment is made.

5597 (6) In measuring the effect of a distribution under Section 48-2e-813, the liabilities of a  
5598 dissolved limited partnership do not include any claim that has been disposed of under Section  
5599 48-2e-806, 48-2e-807, or 48-2e-808.

5600 Section 197. Section **48-2e-505** is enacted to read:

5601 **48-2e-505. Liability for improper distributions.**

5602 (1) If a general partner consents to a distribution made in violation of Section  
5603 48-2e-504 and in consenting to the distribution fails to comply with Section 48-2e-409, the  
5604 general partner is personally liable to the limited partnership for the amount of the distribution  
5605 which exceeds the amount that could have been distributed without the violation of Section  
5606 48-2e-504.

5607 (2) A person that receives a distribution knowing that the distribution violated Section  
5608 48-2e-504 is personally liable to the limited partnership but only to the extent that the  
5609 distribution received by the person exceeded the amount that could have been properly paid  
5610 under Section 48-2e-504.

5611 (3) A general partner against which an action is commenced because the general  
5612 partner is liable under Subsection (1) may:

5613 (a) implead any other person that is liable under Subsection (1) and seek to enforce a  
5614 right of contribution from the person; and

5615 (b) implead any person that received a distribution in violation of Subsection (2) and  
5616 seek to enforce a right of contribution from the person in the amount the person received in  
5617 violation of Subsection (2).

5618 (4) An action under this section is barred unless commenced not later than two years  
5619 after the distribution.

5620 Section 198. Section **48-2e-601** is enacted to read:

5621 **Part 6. Dissociation**

5622 **48-2e-601. Dissociation as limited partner.**

5623 (1) A person does not have a right to dissociate as a limited partner before the  
5624 completion of the winding up of the limited partnership.

5625 (2) A person is dissociated as a limited partner when:

5626 (a) the limited partnership has notice of the person's express will to withdraw as a  
5627 limited partner, but, if the person specified a withdrawal date later than the date the limited  
5628 partnership had notice, on that later date;

5629 (b) an event stated in the partnership agreement as causing the person's dissociation as

5630 a limited partner occurs;

5631 (c) the person is expelled as a limited partner pursuant to the partnership agreement;

5632 (d) the person is expelled as a limited partner by the unanimous vote or consent of the

5633 other partners if:

5634 (i) it is unlawful to carry on the limited partnership's activities and affairs with the

5635 person as a limited partner;

5636 (ii) there has been a transfer of all of the person's transferable interest in the limited

5637 partnership, other than:

5638 (A) a transfer for security purposes; or

5639 (B) a charging order in effect under Section 48-2e-703 which has not been foreclosed;

5640 (iii) the person is a corporation and:

5641 (A) the limited partnership notifies the person that it will be expelled as a limited

5642 partner because the person has filed a statement of dissolution or the equivalent, its charter has

5643 been revoked, or its right to conduct business has been suspended by the jurisdiction of its

5644 incorporation; and

5645 (B) not later than 90 days after the notification the statement of dissolution or the

5646 equivalent has not been revoked or its charter or right to conduct business has not been

5647 reinstated; or

5648 (iv) the person is an unincorporated entity that has been dissolved and whose business

5649 is being wound up;

5650 (e) on application by the limited partnership, the person is expelled as a limited partner

5651 by judicial order because the person:

5652 (i) has engaged or is engaging in wrongful conduct that has affected adversely and

5653 materially, or will affect adversely and materially, the limited partnership's activities and

5654 affairs;

5655 (ii) has committed willfully or persistently, or is committing willfully or persistently, a

5656 material breach of the partnership agreement or the contractual obligation of good faith and fair

5657 dealing under Subsection 48-2e-305(1); or

5658 (iii) has engaged or is engaging in conduct relating to the limited partnership's  
5659 activities and affairs which makes it not reasonably practicable to carry on the activities and  
5660 affairs with the person as a limited partner;

5661 (f) in the case of a person who is an individual, the individual dies;

5662 (g) in the case of a person that is a testamentary or inter vivos trust or is acting as a  
5663 limited partner by virtue of being a trustee of such a trust, the trust's entire transferable interest  
5664 in the limited partnership is distributed;

5665 (h) in the case of a person that is an estate or is acting as a limited partner by virtue of  
5666 being a personal representative of an estate, the estate's entire transferable interest in the limited  
5667 partnership is distributed;

5668 (i) in the case of a person that is not an individual, corporation, unincorporated entity,  
5669 trust, or estate, the existence of the person terminates;

5670 (j) the limited partnership participates in a merger under Part 11, Merger, Interest  
5671 Exchange, Conversion, and Domestication, and:

5672 (i) the limited partnership is not the surviving entity; or

5673 (ii) otherwise as a result of the merger, the person ceases to be a limited partner;

5674 (k) the limited partnership participates in an interest exchange under Part 11, Merger,  
5675 Interest Exchange, Conversion, and Domestication, and as a result of the interest exchange, the  
5676 person ceases to be a limited partner;

5677 (l) the limited partnership participates in a conversion under Part 11, Merger, Interest  
5678 Exchange, Conversion, and Domestication;

5679 (m) the limited partnership participates in a domestication under Part 11, Merger,  
5680 Interest Exchange, Conversion, and Domestication, and as a result of the domestication, the  
5681 person ceases to be a limited partner; or

5682 (n) the limited partnership dissolves and completes winding up.

5683 Section 199. Section **48-2e-602** is enacted to read:

5684 **48-2e-602. Effect of dissociation as limited partner.**

5685 (1) If a person is dissociated as a limited partner:

5686 (a) subject to Section 48-2e-704, the person does not have further rights as a limited  
5687 partner;

5688 (b) the person's contractual obligation of good faith and fair dealing as a limited partner  
5689 under Subsection 48-2e-305(1) ends with regard to matters arising and events occurring after  
5690 the person's dissociation; and

5691 (c) subject to Section 48-2e-704 and Part 11, Merger, Interest Exchange, Conversion,  
5692 and Domestication, any transferable interest owned by the person in the person's capacity as a  
5693 limited partner immediately before dissociation is owned by the person solely as a transferee.

5694 (2) A person's dissociation as a limited partner does not of itself discharge the person  
5695 from any debt, obligation, or other liability to the limited partnership or the other partners  
5696 which the person incurred while a limited partner.

5697 Section 200. Section **48-2e-603** is enacted to read:

5698 **48-2e-603. Dissociation as general partner.**

5699 A person is dissociated as a general partner when:

5700 (1) the limited partnership has notice of the person's express will to withdraw as a  
5701 general partner, but, if the person specifies a withdrawal date later than the date the limited  
5702 partnership had notice, on that later date;

5703 (2) an event stated in the partnership agreement as causing the person's dissociation as  
5704 a general partner occurs;

5705 (3) the person is expelled as a general partner pursuant to the partnership agreement;

5706 (4) the person is expelled as a general partner by the unanimous vote or consent of the  
5707 other partners if:

5708 (a) it is unlawful to carry on the limited partnership's activities and affairs with the  
5709 person as a general partner;

5710 (b) there has been a transfer of all of the person's transferable interest in the limited  
5711 partnership, other than:

5712 (i) a transfer for security purposes; or

5713 (ii) a charging order in effect under Section 48-2e-703 which has not been foreclosed;

5714 (c) the person is a corporation, and:  
5715 (i) the limited partnership notifies the person that it will be expelled as a general  
5716 partner because the person has filed a statement of dissolution or the equivalent, its charter has  
5717 been revoked, or its right to conduct business has been suspended by the jurisdiction of its  
5718 incorporation; and  
5719 (ii) not later than 90 days after the notification the statement of dissolution or the  
5720 equivalent has not been revoked or its charter or right to conduct business has not been  
5721 reinstated; or  
5722 (d) the person is an unincorporated entity that has been dissolved and whose business  
5723 is being wound up;  
5724 (5) on application by the limited partnership or a partner in a direct action under  
5725 Section 48-2e-1001, the person is expelled as a general partner by judicial order because the  
5726 person:  
5727 (a) has engaged or is engaging in wrongful conduct that has affected adversely and  
5728 materially, or will affect adversely and materially, the limited partnership's activities and  
5729 affairs;  
5730 (b) has committed willfully or persistently, or is committing willfully or persistently, a  
5731 material breach of the partnership agreement or a duty or obligation under Section 48-2e-409;  
5732 or  
5733 (c) has engaged or is engaging in conduct relating to the limited partnership's activities  
5734 and affairs which makes it not reasonably practicable to carry on the activities or affairs of the  
5735 limited partnership with the person as a general partner;  
5736 (6) in the case of a person who is an individual:  
5737 (a) the individual dies;  
5738 (b) a guardian or general conservator for the individual is appointed; or  
5739 (c) a court orders that the individual has otherwise become incapable of performing the  
5740 individual's duties as a general partner under this chapter or the partnership agreement;  
5741 (7) the person:

- 5742 (a) becomes a debtor in bankruptcy;  
5743 (b) executes an assignment for the benefit of creditors; or  
5744 (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or  
5745 liquidator of the person or of all or substantially all of the person's property;  
5746 (8) in the case of a person that is a testamentary or inter vivos trust or is acting as a  
5747 general partner by virtue of being a trustee of such a trust, the trust's entire transferable interest  
5748 in the limited partnership is distributed;  
5749 (9) in the case of a person that is an estate or is acting as a general partner by virtue of  
5750 being a personal representative of an estate, the estate's entire transferable interest in the limited  
5751 partnership is distributed;  
5752 (10) in the case of a person that is not an individual, corporation, unincorporated entity,  
5753 trust, or estate, the existence of the person terminates;  
5754 (11) the limited partnership participates in a merger under Part 11, Merger, Interest  
5755 Exchange, Conversion, and Domestication, and:  
5756 (a) the limited partnership is not the surviving entity; or  
5757 (b) otherwise as a result of the merger, the person ceases to be a general partner;  
5758 (12) the limited partnership participates in an interest exchange under Part 11, Merger,  
5759 Interest Exchange, Conversion, and Domestication, and, as a result of the interest exchange, the  
5760 person ceases to be a general partner;  
5761 (13) the limited partnership participates in a conversion under Part 11, Merger, Interest  
5762 Exchange, Conversion, and Domestication;  
5763 (14) the limited partnership participates in a domestication under Part 11, Merger,  
5764 Interest Exchange, Conversion, and Domestication, and, as a result of the domestication, the  
5765 person ceases to be a general partner; or  
5766 (15) the limited partnership dissolves and completes winding up.  
5767 Section 201. Section **48-2e-604** is enacted to read:  
5768 **48-2e-604. Power to dissociate as general partner -- Wrongful dissociation.**  
5769 (1) A person has the power to dissociate as a general partner at any time, rightfully or

5770 wrongfully, by withdrawing as a general partner by express will under Subsection  
5771 48-2e-603(1).

5772 (2) A person's dissociation as a general partner is wrongful only if the dissociation:

5773 (a) is in breach of an express provision of the partnership agreement; or

5774 (b) occurs before the completion of the winding up of the limited partnership, and:

5775 (i) the person withdraws as a general partner by express will;

5776 (ii) the person is expelled as a general partner by judicial order under Subsection  
5777 48-2e-603(5);

5778 (iii) the person is dissociated as a general partner under Subsection 48-2e-603(7); or

5779 (iv) in the case of a person that is not a trust other than a business trust, an estate, or an  
5780 individual, the person is expelled or otherwise dissociated as a general partner because it  
5781 willfully dissolved or terminated.

5782 (3) A person that wrongfully dissociates as a general partner is liable to the limited  
5783 partnership and, subject to Section 48-2e-1001, to the other partners for damages caused by the  
5784 dissociation. The liability is in addition to any debt, obligation, or other liability of the general  
5785 partner to the limited partnership or the other partners.

5786 Section 202. Section **48-2e-605** is enacted to read:

5787 **48-2e-605. Effect of dissociation as general partner.**

5788 (1) If a person is dissociated as a general partner:

5789 (a) the person's right to participate as a general partner in the management and conduct  
5790 of the limited partnership's activities and affairs terminates;

5791 (b) the person's duties and obligations as a general partner under Section 48-2e-409 end  
5792 with regard to matters arising and events occurring after the person's dissociation;

5793 (c) the person may sign and deliver to the division for filing a statement of dissociation  
5794 pertaining to the person and, at the request of the limited partnership, shall sign an amendment  
5795 to the certificate of limited partnership which states that the person has dissociated as a general  
5796 partner; and

5797 (d) subject to Section 48-2e-704 and Part 11, Merger, Interest Exchange, Conversion,

5798 and Domestication, any transferable interest owned by the person immediately before  
5799 dissociation in the person's capacity as a general partner is owned by the person solely as a  
5800 transferee.

5801 (2) A person's dissociation as a general partner does not of itself discharge the person  
5802 from any debt, obligation, or other liability to the limited partnership or the other partners  
5803 which the person incurred while a general partner.

5804 Section 203. Section **48-2e-606** is enacted to read:

5805 **48-2e-606. Power to bind and liability of person dissociated as general partner.**

5806 (1) After a person is dissociated as a general partner and before the limited partnership  
5807 is merged out of existence, converted, or domesticated under Part 11, Merger, Interest  
5808 Exchange, Conversion, and Domestication, or dissolved, the limited partnership is bound by an  
5809 act of the person only if:

5810 (a) the act would have bound the limited partnership under Section 48-2e-402 before  
5811 the dissociation; and

5812 (b) at the time the other party enters into the transaction:

5813 (i) less than two years has passed since the dissociation; and

5814 (ii) the other party does not know or have notice of the dissociation and reasonably  
5815 believes that the person is a general partner.

5816 (2) If a limited partnership is bound under Subsection (1), the person dissociated as a  
5817 general partner which caused the limited partnership to be bound is liable:

5818 (a) to the limited partnership for any damage caused to the limited partnership arising  
5819 from the obligation incurred under Subsection (1); and

5820 (b) if a general partner or another person dissociated as a general partner is liable for  
5821 the obligation, to the general partner or other person for any damage caused to the general  
5822 partner or other person arising from the liability.

5823 Section 204. Section **48-2e-607** is enacted to read:

5824 **48-2e-607. Liability to other persons of person dissociated as general partner.**

5825 (1) A person's dissociation as a general partner does not of itself discharge the person's

5826 liability as a general partner for a debt, obligation, or other liability of the limited partnership  
5827 incurred before dissociation. Except as otherwise provided in Subsections (2) and (3), the  
5828 person is not liable for a limited partnership obligation incurred after dissociation.

5829 (2) A person whose dissociation as a general partner resulted in a dissolution and  
5830 winding up of the limited partnership's activities and affairs is liable to the same extent as a  
5831 general partner under Section 48-2e-404 on an obligation incurred by the limited partnership  
5832 under Section 48-2e-804.

5833 (3) A person that has dissociated as a general partner but whose dissociation did not  
5834 result in a dissolution and winding up of the limited partnership's activities and affairs is liable  
5835 on a transaction entered into by the limited partnership after the dissociation only if:

5836 (a) a general partner would be liable on the transaction; and

5837 (b) at the time the other party enters into the transaction:

5838 (i) less than two years has passed since the dissociation; and

5839 (ii) the other party does not have knowledge or notice of the dissociation and

5840 reasonably believes that the person is a general partner.

5841 (4) By agreement with a creditor of a limited partnership and the limited partnership, a  
5842 person dissociated as a general partner may be released from liability for an obligation of the  
5843 limited partnership.

5844 (5) A person dissociated as a general partner is released from liability for an obligation  
5845 of the limited partnership if the limited partnership's creditor, with knowledge or notice of the  
5846 person's dissociation as a general partner but without the person's consent, agrees to a material  
5847 alteration in the nature or time of payment of the obligation.

5848 Section 205. Section **48-2e-701** is enacted to read:

5849 **Part 7. Transferable Interest and Rights**

5850 **48-2e-701. Nature of transferable interest.**

5851 The only interest of a partner which is transferable is the partner's transferable interest.

5852 A transferable interest is personal property.

5853 Section 206. Section **48-2e-702** is enacted to read:

5854 **48-2e-702. Transfer of transferable interest.**

5855 (1) A transfer, in whole or in part, of a transferable interest:

5856 (a) is permissible;

5857 (b) does not by itself cause the person's dissociation or a dissolution and winding up of

5858 the limited partnership's activities and affairs; and

5859 (c) subject to Section 48-2e-704, does not entitle the transferee to:

5860 (i) participate in the management or conduct of the limited partnership's activities or

5861 affairs; or

5862 (ii) except as otherwise provided in Subsection (3), have access to required

5863 information, records, or other information concerning the limited partnership's activities and

5864 affairs.

5865 (2) A transferee has the right to receive, in accordance with the transfer, distributions to

5866 which the transferor would otherwise be entitled.

5867 (3) In a dissolution and winding up of a limited partnership, a transferee is entitled to

5868 an account of the limited partnership's transactions only from the date of dissolution.

5869 (4) A transferable interest may be evidenced by a certificate of the interest issued by a

5870 limited partnership in a record, and, subject to this section, the interest represented by the

5871 certificate may be transferred by a transfer of the certificate.

5872 (5) A limited partnership need not give effect to a transferee's rights under this section

5873 until the limited partnership knows or has notice of the transfer.

5874 (6) A transfer of a transferable interest in violation of a restriction on transfer contained

5875 in the partnership agreement is ineffective as to a person having knowledge or notice of the

5876 restriction at the time of transfer.

5877 (7) Except as otherwise provided in Subsections 48-2e-601(2)(d)(ii) and

5878 48-2e-603(4)(b), if a general or limited partner transfers a transferable interest, the transferor

5879 retains the rights of a general or limited partner other than the transferable interest transferred

5880 and retains all the duties and obligations of a general or limited partner.

5881 (8) If a general or limited partner transfers a transferable interest to a person that

5882 becomes a general or limited partner with respect to the transferred interest, the transferee is  
5883 liable for the transferor's obligations under Sections 48-2e-502 and 48-2e-505 known to the  
5884 transferee when the transferee becomes a partner.

5885 Section 207. Section **48-2e-703** is enacted to read:

5886 **48-2e-703. Charging order.**

5887 (1) On application by a judgment creditor of a partner or transferee, a court may enter a  
5888 charging order against the transferable interest of the judgment debtor for the unsatisfied  
5889 amount of the judgment. A charging order constitutes a lien on a judgment debtor's  
5890 transferable interest and, after the limited partnership has been served with the charging order,  
5891 requires the limited partnership to pay over to the person to which the charging order was  
5892 issued any distribution that otherwise would be paid to the judgment debtor.

5893 (2) To the extent necessary to effectuate the collection of distributions pursuant to a  
5894 charging order in effect under Subsection (1), the court may:

5895 (a) appoint a receiver of the distributions subject to the charging order, with the power  
5896 to make all inquiries the judgment debtor might have made; and

5897 (b) make all other orders necessary to give effect to the charging order.

5898 (3) Upon a showing that distributions under a charging order will not pay the judgment  
5899 debt within a reasonable time, the court may foreclose the lien and order the sale of the  
5900 transferable interest. The purchaser at the foreclosure sale obtains only the transferable  
5901 interest, does not thereby become a partner, and is subject to Section 48-2e-702.

5902 (4) At any time before foreclosure under Subsection (3), the partner or transferee  
5903 whose transferable interest is subject to a charging order under Subsection (1) may extinguish  
5904 the charging order by satisfying the judgment and filing a certified copy of the satisfaction with  
5905 the court that issued the charging order.

5906 (5) At any time before foreclosure under Subsection (3), a limited partnership or one or  
5907 more partners whose transferable interests are not subject to the charging order may pay to the  
5908 judgment creditor the full amount due under the judgment and thereby succeed to the rights of  
5909 the judgment creditor, including the charging order.

5910 (6) This chapter does not deprive any partner or transferee of the benefit of any  
5911 exemption law applicable to the transferable interest of the partner or transferee.

5912 (7) This section provides the exclusive remedy by which a person seeking to enforce a  
5913 judgment against a partner or transferee may, in the capacity of judgment creditor, satisfy the  
5914 judgment from the judgment debtor's transferable interest.

5915 Section 208. Section **48-2e-704** is enacted to read:

5916 **48-2e-704. Power of legal representative of deceased partner.**

5917 If a partner dies, the deceased partner's legal representative may exercise:

5918 (1) the rights of a transferee provided in Subsection 48-2e-702(3); and

5919 (2) for the purposes of settling the estate, the rights of a current limited partner under  
5920 Section 48-2e-304.

5921 Section 209. Section **48-2e-801** is enacted to read:

5922 **Part 8. Dissolution and Winding Up**

5923 **48-2e-801. Events causing dissolution.**

5924 (1) A limited partnership is dissolved, and its activities and affairs must be wound up,  
5925 upon the occurrence of any of the following:

5926 (a) an event or circumstance that the partnership agreement states causes dissolution;

5927 (b) the affirmative vote or consent of all general partners and of limited partners  
5928 owning a majority of the rights to receive distributions as limited partners at the time the vote  
5929 or consent is to be effective;

5930 (c) after the dissociation of a person as a general partner:

5931 (i) if the limited partnership has at least one remaining general partner, the vote or  
5932 consent to dissolve the limited partnership not later than 90 days after the dissociation by  
5933 partners owning a majority of the rights to receive distributions as partners at the time the vote  
5934 or consent is to be effective; or

5935 (ii) if the limited partnership does not have a remaining general partner, the passage of  
5936 90 days after the dissociation, unless before the end of the period:

5937 (A) consent to continue the activities and affairs of the limited partnership and admit at

5938 least one general partner is given by limited partners owning a majority of the rights to receive  
5939 distributions as limited partners at the time the consent is to be effective; and

5940 (B) at least one person is admitted as a general partner in accordance with the consent;

5941 (d) the passage of 90 consecutive days after the dissociation of the limited partnership's  
5942 last limited partner, unless before the end of the period the limited partnership admits at least  
5943 one limited partner;

5944 (e) the passage of 90 consecutive days during which the limited partnership has only  
5945 one partner, unless before the end of the period:

5946 (i) the limited partnership admits at least one person as a partner;

5947 (ii) if the previously sole remaining partner is only a general partner, the limited  
5948 partnership admits the person as a limited partner; and

5949 (iii) if the previously sole remaining partner is only a limited partner, the limited  
5950 partnership admits a person as a general partner;

5951 (f) on application by a partner, the entry by the district court of an order dissolving the  
5952 limited partnership on the grounds that:

5953 (i) the conduct of all or substantially all the limited partnership's activities and affairs is  
5954 unlawful; or

5955 (ii) it is not reasonably practicable to carry on the limited partnership's activities and  
5956 affairs in conformity with the partnership agreement; or

5957 (g) the signing and filing of a statement of administrative dissolution by the division  
5958 under Section 48-2e-810.

5959 (2) If an event occurs that imposes a deadline on a limited partnership under  
5960 Subsection (1) and before the limited partnership has met the requirements of the deadline,  
5961 another event occurs that imposes a different deadline on the limited partnership under  
5962 Subsection (1):

5963 (a) the occurrence of the second event does not affect the deadline caused by the first  
5964 event; and

5965 (b) the limited partnership's meeting of the requirements of the first deadline does not

5966 extend the second deadline.

5967 Section 210. Section **48-2e-802** is enacted to read:

5968 **48-2e-802. Winding up.**

5969 (1) A dissolved limited partnership shall wind up its activities and affairs, and, except  
5970 as otherwise provided in Section 48-2e-803, the limited partnership continues after dissolution  
5971 only for the purpose of winding up.

5972 (2) In winding up its activities and affairs, the limited partnership:

5973 (a) shall discharge the limited partnership's debts, obligations, and other liabilities,  
5974 settle and close the limited partnership's activities and affairs, and marshal and distribute the  
5975 assets of the limited partnership; and

5976 (b) may:

5977 (i) amend its certificate of limited partnership to state that the limited partnership is  
5978 dissolved;

5979 (ii) preserve the limited partnership activities, affairs, and property as a going concern  
5980 for a reasonable time;

5981 (iii) prosecute and defend actions and proceedings, whether civil, criminal, or  
5982 administrative;

5983 (iv) transfer the limited partnership's property;

5984 (v) settle disputes by mediation or arbitration;

5985 (vi) deliver to the division for filing a statement of termination stating the name of the  
5986 limited partnership and that the limited partnership is terminated; and

5987 (vii) perform other acts necessary or appropriate to the winding up.

5988 (3) If a dissolved limited partnership does not have a general partner, a person to wind  
5989 up the dissolved limited partnership's activities and affairs may be appointed by the affirmative  
5990 vote or consent of limited partners owning a majority of the rights to receive distributions as  
5991 limited partners at the time the vote or consent is to be effective. A person appointed under  
5992 this Subsection (3):

5993 (a) has the powers of a general partner under Section 48-2e-804 but is not liable for the

5994 debts, obligations, and other liabilities of the limited partnership solely by reason of having or  
 5995 exercising those powers or otherwise acting to wind up the dissolved limited partnership's  
 5996 activities and affairs; and

5997 (b) shall deliver promptly to the division for filing an amendment to the certificate of  
 5998 limited partnership stating:

5999 (i) that the limited partnership does not have a general partner;

6000 (ii) the name and street and mailing addresses of the person; and

6001 (iii) that the person has been appointed pursuant to this subsection to wind up the  
 6002 limited partnership.

6003 (4) On the application of any partner, the district court may order judicial supervision  
 6004 of the winding up of a dissolved limited partnership, including the appointment of a person to  
 6005 wind up the limited partnership's activities and affairs, if:

6006 (a) the limited partnership does not have a general partner and within a reasonable time  
 6007 following the dissolution no person has been appointed pursuant to Subsection (3); or

6008 (b) the applicant establishes other good cause.

6009 Section 211. Section **48-2e-803** is enacted to read:

6010 **48-2e-803. Rescinding dissolution.**

6011 (1) A limited partnership may rescind its dissolution, unless a statement of termination  
 6012 applicable to the limited partnership is effective, the district court has entered an order under  
 6013 Subsection 48-2e-801(1)(f) dissolving the limited partnership, or the division has dissolved the  
 6014 limited partnership under Section 48-2e-810.

6015 (2) Rescinding dissolution under this section requires:

6016 (a) the affirmative vote or consent of each partner; and

6017 (b) if the limited partnership has delivered to the division for filing an amendment to  
 6018 the certificate of limited partnership stating that the partnership is dissolved and if:

6019 (i) the amendment is not effective, the filing by the limited partnership of a statement  
 6020 of withdrawal under Section 48-2e-207 applicable to the amendment; or

6021 (ii) the amendment is effective, the delivery by the limited partnership to the division

6022 for filing of an amendment to the certificate of limited partnership stating that the dissolution  
6023 has been rescinded under this section.

6024 (3) If a limited partnership rescinds its dissolution:

6025 (a) the limited partnership resumes carrying on its activities and affairs as if dissolution  
6026 had never occurred;

6027 (b) subject to Subsection (3)(c), any liability incurred by the limited partnership after  
6028 the dissolution and before the rescission is effective is determined as if dissolution had never  
6029 occurred; and

6030 (c) the rights of a third party arising out of conduct in reliance on the dissolution before  
6031 the third party knew or had notice of the rescission may not be adversely affected.

6032 Section 212. Section **48-2e-804** is enacted to read:

6033 **48-2e-804. Power to bind partnership after dissolution.**

6034 (1) A limited partnership is bound by a general partner's act after dissolution which:

6035 (a) is appropriate for winding up the limited partnership's activities and affairs; or

6036 (b) would have bound the limited partnership under Section 48-2e-402 before  
6037 dissolution, if, at the time the other party enters into the transaction, the other party does not  
6038 know or have notice of the dissolution.

6039 (2) A person dissociated as a general partner binds a limited partnership through an act  
6040 occurring after dissolution if:

6041 (a) at the time the other party enters into the transaction:

6042 (i) less than two years has passed since the dissociation; and

6043 (ii) the other party does not have notice of the dissociation and reasonably believes that  
6044 the person is a general partner; and

6045 (b) the act:

6046 (i) is appropriate for winding up the limited partnership's activities and affairs; or

6047 (ii) would have bound the limited partnership under Section 48-2e-402 before  
6048 dissolution and at the time the other party enters into the transaction the other party does not  
6049 have notice of the dissolution.

6050 Section 213. Section **48-2e-805** is enacted to read:

6051 **48-2e-805. Liability after dissolution of general partner and person dissociated as**  
6052 **general partner to limited partnership, other general partners, and persons dissociated as**  
6053 **general partner.**

6054 (1) If a general partner having knowledge of the dissolution causes a limited  
6055 partnership to incur an obligation under Subsection 48-2e-804(1) by an act that is not  
6056 appropriate for winding up the limited partnership's activities and affairs, the general partner is  
6057 liable:

6058 (a) to the limited partnership for any damage caused to the limited partnership arising  
6059 from the obligation; and

6060 (b) if another general partner or a person dissociated as a general partner is liable for  
6061 the obligation, to that other general partner or person for any damage caused to that other  
6062 general partner or person arising from the liability.

6063 (2) If a person dissociated as a general partner causes a limited partnership to incur an  
6064 obligation under Subsection 48-2e-804(2), the person is liable:

6065 (a) to the limited partnership for any damage caused to the limited partnership arising  
6066 from the obligation; and

6067 (b) if a general partner or another person dissociated as a general partner is liable for  
6068 the obligation, to the general partner or other person for any damage caused to the general  
6069 partner or other person arising from the obligation.

6070 Section 214. Section **48-2e-806** is enacted to read:

6071 **48-2e-806. Known claims against dissolved limited partnership.**

6072 (1) Except as otherwise provided in Subsection (4), a dissolved limited partnership  
6073 may give notice of a known claim under Subsection (2), which has the effect provided in  
6074 Subsection (3).

6075 (2) A dissolved limited partnership may in a record notify its known claimants of the  
6076 dissolution. The notice must:

6077 (a) specify the information required to be included in a claim;

6078 (b) state that a claim must be in writing and provide a mailing address to which the  
6079 claim is to be sent;

6080 (c) state the deadline for receipt of a claim, which may not be less than 120 days after  
6081 the date the notice is received by the claimant;

6082 (d) state that the claim will be barred if not received by the deadline; and

6083 (e) unless the limited partnership has been throughout its existence a limited liability  
6084 limited partnership, state that the barring of a claim against the limited partnership will also bar  
6085 any corresponding claim against any general partner or person dissociated as a general partner  
6086 which is based on Section 48-2e-404.

6087 (3) A claim against a dissolved limited partnership is barred if the requirements of  
6088 Subsection (2) are met, and:

6089 (a) the claim is not received by the specified deadline; or

6090 (b) if the claim is timely received but rejected by the limited partnership:

6091 (i) the limited partnership causes the claimant to receive a notice in a record stating that  
6092 the claim is rejected and will be barred unless the claimant commences an action against the  
6093 limited partnership to enforce the claim not later than 90 days after the claimant receives the  
6094 notice; and

6095 (ii) the claimant does not commence the required action not later than 90 days after the  
6096 claimant receives the notice.

6097 (4) This section does not apply to a claim based on an event occurring after the  
6098 effective date of dissolution or a liability that on that date is contingent.

6099 Section 215. Section **48-2e-807** is enacted to read:

6100 **48-2e-807. Other claims against dissolved limited partnership.**

6101 (1) A dissolved limited partnership may publish notice of its dissolution and request  
6102 persons having claims against the dissolved limited partnership to present them in accordance  
6103 with the notice.

6104 (2) A notice under Subsection (1) must:

6105 (a) be published at least once in a newspaper of general circulation in the county in this

6106 state in which the dissolved limited partnership's principal office is located or, if the principal  
6107 office is not located in this state, in the county in which the office of the dissolved limited  
6108 partnership's registered agent is or was last located and in accordance with Section 45-1-101;

6109 (b) describe the information required to be contained in a claim, state that the claim  
6110 must be in writing, and provide a mailing address to which the claim is to be sent;

6111 (c) state that a claim against the dissolved limited partnership is barred unless an action  
6112 to enforce the claim is commenced not later than three years after publication of the notice; and

6113 (d) unless the dissolved limited partnership has been throughout its existence a limited  
6114 liability limited partnership, state that the barring of a claim against the dissolved limited  
6115 partnership will also bar any corresponding claim against any general partner or person  
6116 dissociated as a general partner which is based on Section 48-2e-404.

6117 (3) If a dissolved limited partnership publishes a notice in accordance with Subsection  
6118 (2), the claim of each of the following claimants is barred unless the claimant commences an  
6119 action to enforce the claim against the dissolved limited partnership not later than three years  
6120 after the publication date of the notice:

6121 (a) a claimant that did not receive notice in a record under Section 48-2e-806;

6122 (b) a claimant whose claim was timely sent to the dissolved limited partnership but not  
6123 acted on; and

6124 (c) a claimant whose claim is contingent at, or based on an event occurring after, the  
6125 effective date of dissolution.

6126 (4) A claim not barred under this section or Section 48-2e-806 may be enforced:

6127 (a) against the dissolved limited partnership, to the extent of its undistributed assets;

6128 (b) except as otherwise provided in Section 48-2e-808, if the assets of the dissolved  
6129 limited partnership have been distributed after dissolution, against a partner or transferee to the  
6130 extent of that person's proportionate share of the claim or of the dissolved limited partnership's  
6131 assets distributed to the partner or transferee after dissolution, whichever is less, but a person's  
6132 total liability for all claims under this subsection may not exceed the total amount of assets  
6133 distributed to the person after dissolution; and

6134 (c) against any person liable on the claim under Sections 48-2e-404 and 48-2e-607.

6135 Section 216. Section **48-2e-808** is enacted to read:

6136 **48-2e-808. Court proceedings.**

6137 (1) A dissolved limited partnership that has published a notice under Section 48-2e-807  
6138 may file an application with the district court in the county where the dissolved limited  
6139 partnership's principal office is located, or, if the principal office is not located in this state,  
6140 where the office of its registered agent is located, for a determination of the amount and form  
6141 of security to be provided for payment of claims that are contingent, have not been made  
6142 known to the dissolved limited partnership, or are based on an event occurring after the  
6143 effective date of dissolution but which, based on the facts known to the dissolved limited  
6144 partnership, are reasonably expected to arise after the effective date of dissolution. Security is  
6145 not required for any claim that is or is reasonably anticipated to be barred under Subsection  
6146 48-2e-807(3).

6147 (2) Not later than 10 days after the filing of an application under Subsection (1), the  
6148 dissolved limited partnership shall give notice of the proceeding to each claimant holding a  
6149 contingent claim known to the dissolved limited partnership.

6150 (3) In a proceeding brought under this section, the court may appoint a guardian ad  
6151 litem to represent all claimants whose identities are unknown. The reasonable fees and  
6152 expenses of the guardian, including all reasonable expert witness fees, must be paid by the  
6153 dissolved limited partnership.

6154 (4) A dissolved limited partnership that provides security in the amount and form  
6155 ordered by the court under Subsection (1) satisfies the dissolved limited partnership's  
6156 obligations with respect to claims that are contingent, have not been made known to the  
6157 dissolved limited partnership, or are based on an event occurring after the effective date of  
6158 dissolution, and such claims may not be enforced against a partner or transferee that received  
6159 assets in liquidation.

6160 Section 217. Section **48-2e-809** is enacted to read:

6161 **48-2e-809. Liability of general partner and person dissociated as general partner**

6162 **when claim against limited partnership barred.**

6163 If a claim against a dissolved limited partnership is barred under Section 48-2e-806,  
6164 48-2e-807, or 48-2e-808, any corresponding claim under Section 48-2e-404 or 48-2e-607 is  
6165 also barred.

6166 Section 218. Section **48-2e-810** is enacted to read:

6167 **48-2e-810. Administrative dissolution.**

6168 (1) The division may commence a proceeding under Subsections (2) and (3) to dissolve  
6169 a limited partnership administratively if the limited partnership does not:

6170 (a) pay any fee, tax, or penalty required to be paid to the division not later than 60 days  
6171 after it is due;

6172 (b) deliver an annual report to the division not later than 60 days after it is due; or

6173 (c) have a registered agent in this state for 60 consecutive days.

6174 (2) If the division determines that one or more grounds exist for administratively  
6175 dissolving a limited partnership, the division shall serve the limited partnership with notice in a  
6176 record of the division's determination.

6177 (3) If a limited partnership, not later than 60 days after service of the notice under  
6178 Subsection (2), does not cure or demonstrate to the satisfaction of the division the nonexistence  
6179 of each ground determined by the division, the division shall administratively dissolve the  
6180 limited partnership by signing a statement of administrative dissolution that recites the grounds  
6181 for dissolution and the effective date of dissolution. The division shall file the statement and  
6182 serve a copy on the limited partnership pursuant to Section 48-2e-209.

6183 (4) A limited partnership that is administratively dissolved continues in existence as an  
6184 entity but may not carry on any activities except as necessary to wind up its activities and  
6185 affairs and liquidate its assets under Sections 48-2e-802, 48-2e-806, 48-2e-807, 48-2e-808, and  
6186 48-2e-813 or to apply for reinstatement under Section 48-2e-811.

6187 (5) The administrative dissolution of a limited partnership does not terminate the  
6188 authority of its registered agent.

6189 Section 219. Section **48-2e-811** is enacted to read:

6190 **48-2e-811. Reinstatement.**

6191 (1) A limited partnership that is administratively dissolved under Section 48-2e-810  
6192 may apply to the division for reinstatement not later than two years after the effective date of  
6193 dissolution. The application must state:

6194 (a) the name of the limited partnership at the time of its administrative dissolution and,  
6195 if needed, a different name that satisfies Section 48-2e-108;

6196 (b) the address of the principal office of the limited partnership and the name and  
6197 address of its registered agent;

6198 (c) the effective date of the limited partnership's administrative dissolution; and

6199 (d) that the grounds for dissolution did not exist or have been cured.

6200 (2) To be reinstated, a limited partnership must pay all fees, taxes, interest, and  
6201 penalties that were due to the division at the time of its administrative dissolution and all fees,  
6202 taxes, interest, and penalties that would have been due to the division while the limited  
6203 partnership was administratively dissolved.

6204 (3) If the division determines that an application under Subsection (1) contains the  
6205 information required, is satisfied that the information is correct, and determines that all  
6206 payments required to be made to the division by Subsection (2) have been made, the division  
6207 shall:

6208 (a) cancel the statement of administrative dissolution and prepare a statement of  
6209 reinstatement that states the division's determination and the effective date of reinstatement;

6210 (b) file the statement of reinstatement; and

6211 (c) serve a copy of the statement of reinstatement on the limited partnership.

6212 (4) When reinstatement under this section is effective, the following rules apply:

6213 (a) The restatement relates back to and takes effect as of the effective date of the  
6214 administrative dissolution.

6215 (b) The limited partnership resumes carrying on its activities and affairs as if the  
6216 administrative dissolution had not occurred.

6217 (c) The rights of a person arising out of an act or omission in reliance on the

6218 dissolution before the person knew or had notice of the reinstatement are not affected.

6219 Section 220. Section **48-2e-812** is enacted to read:

6220 **48-2e-812. Judicial review of denial of reinstatement.**

6221 (1) If the division denies a limited partnership's application for reinstatement following  
6222 administrative dissolution, the division shall serve the limited partnership with notice in a  
6223 record that explains the reasons for the denial.

6224 (2) A limited partnership may seek judicial review of denial of reinstatement in the  
6225 district court not later than 30 days after service of the notice of denial.

6226 Section 221. Section **48-2e-813** is enacted to read:

6227 **48-2e-813. Disposition of assets in winding up -- When contributions required.**

6228 (1) In winding up its activities and affairs, a limited partnership shall apply its assets,  
6229 including the contributions required by this section, to discharge the limited partnership's  
6230 obligations to creditors, including partners that are creditors.

6231 (2) After a limited partnership complies with Subsection (1), any surplus must be  
6232 distributed in the following order, subject to any charging order in effect under Section  
6233 48-2e-703:

6234 (a) to each person owning a transferable interest that reflects contributions made and  
6235 not previously returned, an amount equal to the value of the unreturned contributions; and

6236 (b) among partners in proportion to their respective rights to share in distributions  
6237 immediately before the dissolution of the limited partnership, except to the extent necessary to  
6238 comply with any transfer effective under Section 48-2e-702.

6239 (3) If a limited partnership's assets are insufficient to satisfy all of its obligations under  
6240 Subsection (1), with respect to each unsatisfied obligation incurred when the limited  
6241 partnership was not a limited liability limited partnership, the following rules apply:

6242 (a) Each person that was a general partner when the obligation was incurred and that  
6243 has not been released from the obligation under Section 48-2e-607 shall contribute to the  
6244 limited partnership for the purpose of enabling the limited partnership to satisfy the obligation.  
6245 The contribution due from each of those persons is in proportion to the right to receive

6246 distributions in the capacity of general partner in effect for each of those persons when the  
6247 obligation was incurred.

6248 (b) If a person does not contribute the full amount required under Subsection (3)(a)  
6249 with respect to an unsatisfied obligation of the limited partnership, the other persons required  
6250 to contribute by Subsection (3)(a) on account of the obligation shall contribute the additional  
6251 amount necessary to discharge the obligation. The additional contribution due from each of  
6252 those other persons is in proportion to the right to receive distributions in the capacity of  
6253 general partner in effect for each of those other persons when the obligation was incurred.

6254 (c) If a person does not make the additional contribution required by Subsection (3)(b),  
6255 further additional contributions are determined and due in the same manner as provided in that  
6256 subsection.

6257 (d) A person that makes an additional contribution under Subsection (3)(b) or (3)(c)  
6258 may recover from any person whose failure to contribute under Subsection (3)(a) or (3)(b)  
6259 necessitated the additional contribution. A person may not recover under this subsection more  
6260 than the amount additionally contributed. A person's liability under this subsection may not  
6261 exceed the amount the person failed to contribute.

6262 (4) If a limited partnership does not have sufficient surplus to comply with Subsection  
6263 (2)(a), any surplus must be distributed among the owners of transferable interests in proportion  
6264 to the value of the respective unreturned contributions.

6265 (5) All distributions made under Subsections (2) and (4) must be paid in money.

6266 Section 222. Section **48-2e-901** is enacted to read:

6267 **Part 9. Foreign Limited Partnerships**

6268 **48-2e-901. Governing law.**

6269 (1) The law of the jurisdiction of formation of a foreign limited partnership governs:

6270 (a) the internal affairs of the foreign limited partnership; and

6271 (b) the liability of a partner as partner for a debt, obligation, or other liability of the  
6272 foreign limited partnership.

6273 (2) A foreign limited partnership is not precluded from registering to do business in

6274 this state because of any difference between the law of its jurisdiction of formation and the law  
6275 of this state.

6276 (3) Registration of a foreign limited partnership to do business in this state does not  
6277 authorize the foreign limited partnership to engage in any activities and affairs or exercise any  
6278 power that a limited partnership may not engage in or exercise in this state.

6279 (4) (a) The division may permit a tribal limited partnership to apply for authority to  
6280 transact business in the state in the same manner as a foreign limited partnership formed in  
6281 another state.

6282 (b) If a tribal limited partnership elects to apply for authority to transact business in the  
6283 state, for purposes of this chapter, the tribal limited partnership shall be treated in the same  
6284 manner as a foreign limited partnership formed under the laws of another state.

6285 Section 223. Section **48-2e-902** is enacted to read:

6286 **48-2e-902. Registration to do business in this state.**

6287 (1) A foreign limited partnership may not do business in this state until it registers with  
6288 the division under this part.

6289 (2) A foreign limited partnership doing business in this state may not maintain an  
6290 action or proceeding in this state unless it is registered to do business in this state.

6291 (3) The failure of a foreign limited partnership to register to do business in this state  
6292 does not impair the validity of a contract or act of the foreign limited partnership or preclude it  
6293 from defending an action or proceeding in this state.

6294 (4) A limitation on the liability of a general partner or limited partners of a foreign  
6295 limited partnership is not waived solely because the foreign limited partnership does business  
6296 in this state without registering to do business in this state.

6297 (5) Subsections 48-2e-901(1) and (2) apply even if the foreign limited partnership fails  
6298 to register under this part.

6299 Section 224. Section **48-2e-903** is enacted to read:

6300 **48-2e-903. Foreign registration statement.**

6301 To register to do business in this state, a foreign limited partnership must deliver a

6302 foreign registration statement to the division for filing. The statement must state:

6303 (1) the name of the foreign limited partnership and, if the name does not comply with  
6304 Section 48-2e-108, an alternate name adopted pursuant to Subsection 48-2e-906(1);

6305 (2) that the limited partnership is a foreign limited partnership;

6306 (3) the name of the foreign limited partnership's jurisdiction of formation;

6307 (4) the street and mailing addresses of the foreign limited partnership's principal office

6308 and, if the law of the foreign limited partnership's jurisdiction of formation requires the foreign

6309 limited partnership to maintain an office in that jurisdiction, the street and mailing addresses of

6310 the required office; and

6311 (5) the information required by Subsection 16-17-203(1).

6312 Section 225. Section **48-2e-904** is enacted to read:

6313 **48-2e-904. Amendment of foreign registration.**

6314 A registered foreign limited partnership shall deliver to the division for filing an

6315 amendment to its foreign registration statement if there is a change in:

6316 (1) the name of the foreign limited partnership;

6317 (2) the foreign limited partnership's jurisdiction of formation;

6318 (3) an address required by Subsection 48-2e-903(4); or

6319 (4) the information required by Subsection 48-2e-903(5).

6320 Section 226. Section **48-2e-905** is enacted to read:

6321 **48-2e-905. Activities not constituting doing business.**

6322 (1) Activities of a foreign limited partnership which do not constitute doing business in

6323 this state under this part include:

6324 (a) maintaining, defending, mediating, arbitrating, and settling an action or proceeding;

6325 (b) carrying on any activity concerning its internal affairs, including holding meetings

6326 of its partners;

6327 (c) maintaining accounts in financial institutions;

6328 (d) maintaining offices or agencies for the transfer, exchange, and registration of

6329 securities of the foreign limited partnership or maintaining trustees or depositories with respect

- 6330 to those securities;
- 6331 (e) selling through independent contractors;
- 6332 (f) soliciting or obtaining orders by any means, if the orders require acceptance outside
- 6333 this state before they become contracts;
- 6334 (g) creating or acquiring indebtedness, mortgages, or security interests in property;
- 6335 (h) securing or collecting debts or enforcing mortgages or security interests in property
- 6336 securing the debts, and holding, protecting, or maintaining property;
- 6337 (i) conducting an isolated transaction that is not in the course of similar transactions;
- 6338 (j) owning, without more, property; and
- 6339 (k) doing business in interstate commerce.

6340 (2) A person does not do business in this state solely by being a partner of a foreign

6341 limited partnership that does business in this state. This section does not apply in determining

6342 the contacts or activities that may subject a foreign limited partnership to service of process,

6343 taxation, or regulation under law of this state other than this chapter.

6344 Section 227. Section **48-2e-906** is enacted to read:

6345 **48-2e-906. Noncomplying name of foreign limited partnership.**

6346 (1) A foreign limited partnership whose name does not comply with Section 48-2e-108

6347 may not register to do business in this state until it adopts, for the purpose of doing business in

6348 this state, an alternate name that complies with Section 48-2e-108. A registered foreign limited

6349 partnership that registers under an alternate name under this Subsection (1) need not comply

6350 with Title 42, Chapter 2, Conducting Business Under Assumed Name. After registering to do

6351 business in this state with an alternate name, a registered foreign limited partnership shall do

6352 business in this state under:

- 6353 (a) the alternate name;
- 6354 (b) the foreign limited partnership's name, with the addition of its jurisdiction of
- 6355 formation; or
- 6356 (c) an assumed or fictitious name the foreign limited partnership is authorized to use
- 6357 under Title 42, Chapter 2, Conducting Business Under Assumed Name.

6358 (2) If a registered foreign limited partnership changes its name to one that does not  
6359 comply with Section 48-2e-108, it may not do business in this state until it complies with  
6360 Subsection (1) by amending its registration to adopt an alternate name that complies with  
6361 Section 48-2e-108.

6362 Section 228. Section **48-2e-907** is enacted to read:

6363 **48-2e-907. Withdrawal deemed on conversion to domestic filing entity or domestic**  
6364 **limited liability partnership.**

6365 A registered foreign limited partnership that converts to a domestic limited liability  
6366 partnership or to a domestic entity that is organized, incorporated, or otherwise formed through  
6367 the delivery of a record to the division for filing is deemed to have withdrawn its registration  
6368 on the effective date of the conversion.

6369 Section 229. Section **48-2e-908** is enacted to read:

6370 **48-2e-908. Withdrawal on dissolution or conversion to nonfiling entity other than**  
6371 **limited liability partnership.**

6372 (1) A registered foreign limited partnership that has dissolved and completed winding  
6373 up or has converted to a domestic or foreign entity that is not organized, incorporated, or  
6374 otherwise formed through the public filing of a record, other than a limited liability partnership,  
6375 shall deliver a statement of withdrawal to the division for filing. The statement must state:

6376 (a) in the case of a foreign limited partnership that has completed winding up:

6377 (i) its name and jurisdiction of formation; and

6378 (ii) that the foreign limited partnership surrenders its registration to do business in this  
6379 state as a registered foreign limited partnership; and

6380 (b) in the case of a foreign limited partnership that has converted:

6381 (i) the name of the converting foreign limited partnership and its jurisdiction of  
6382 formation;

6383 (ii) the type of entity to which the foreign limited partnership has converted and its  
6384 jurisdiction of formation;

6385 (iii) that the converted entity surrenders the converting partnership's registration to do

6386 business in this state and revokes the authority of the converting foreign limited partnership's  
6387 registered agent to act as registered agent in this state on the behalf of the foreign limited  
6388 partnership or the converted entity; and

6389 (iv) a mailing address to which service of process may be made under Subsection (2).

6390 (2) After a withdrawal under this section of a foreign limited partnership that has  
6391 converted to another type of entity is effective, service of process in any action or proceeding  
6392 based on a cause of action arising during the time the foreign limited partnership was registered  
6393 to do business in this state may be made pursuant to Subsection 16-17-301(2).

6394 Section 230. Section **48-2e-909** is enacted to read:

6395 **48-2e-909. Transfer of registration.**

6396 (1) When a registered foreign limited partnership has merged into a foreign entity that  
6397 is not registered to do business in this state or has converted to a foreign entity required to  
6398 register with the division to do business in this state, the foreign entity shall deliver to the  
6399 division for filing an application for transfer of registration. The application must state:

6400 (a) the name of the registered foreign limited partnership before the merger or  
6401 conversion;

6402 (b) that before the merger or conversion the registration pertained to a foreign limited  
6403 partnership;

6404 (c) the name of the applicant foreign entity into which the foreign limited partnership  
6405 has merged or to which it has been converted, and, if the name does not comply with Section  
6406 48-2e-108 or similar provision of law of this state governing an entity of the same type as the  
6407 applicant foreign entity, an alternate name adopted pursuant to Subsection 48-2e-906(1) or  
6408 similar provision of law of this state governing a foreign entity registered to do business in this  
6409 state of the same type as the applicable foreign entity;

6410 (d) the type of entity of the applicant foreign entity and its jurisdiction of formation;

6411 (e) the street and mailing addresses of the principal office of the applicant foreign  
6412 entity and, if the law of the entity's jurisdiction of formation requires the entity to maintain an  
6413 office in that jurisdiction, the street and mailing addresses of that office; and

6414 (f) the information required under Subsection 16-17-203(1).

6415 (2) When an application for transfer of registration takes effect, the registration of the  
6416 foreign limited partnership to do business in this state is transferred without interruption to the  
6417 foreign entity into which the foreign limited partnership has merged or to which it has been  
6418 converted.

6419 Section 231. Section **48-2e-910** is enacted to read:

6420 **48-2e-910. Termination of registration.**

6421 (1) The division may terminate the registration of a registered foreign limited  
6422 partnership in the manner provided in Subsections (2) and (3) if the foreign limited partnership  
6423 does not:

6424 (a) pay, not later than 60 days after the due date, any fee, tax, interest, or penalty  
6425 required to be paid to the division under this chapter or law other than this chapter;

6426 (b) deliver to the division for filing, not later than 60 days after the due date, an annual  
6427 report;

6428 (c) have a registered agent as required by Section 48-2e-111; or

6429 (d) deliver to the division for filing a statement of a change under Section 16-17-206  
6430 not later than 30 days after a change has occurred in the name or address of the registered  
6431 agent.

6432 (2) The division may terminate the registration of a registered foreign limited  
6433 partnership by:

6434 (a) filing a notice of termination or noting the termination in the records of the  
6435 division; and

6436 (b) delivering a copy of the notice or the information in the notation to the foreign  
6437 limited partnership's registered agent, or if the foreign limited partnership does not have a  
6438 registered agent, to the foreign limited partnership's principal office.

6439 (3) The notice must state or the information in the notation under Subsection (2) must  
6440 include:

6441 (a) the effective date of the termination, which must be at least 60 days after the date

6442 the division delivers the copy; and

6443 (b) the grounds for termination under Subsection (1).

6444 (4) The authority of the registered foreign limited partnership to do business in this  
6445 state ceases on the effective date of the notice of termination or notation under Subsection (2),  
6446 unless before that date the foreign limited partnership cures each ground for termination stated  
6447 in the notice or notation. If the foreign limited partnership cures each ground, the division shall  
6448 file a record so stating.

6449 Section 232. Section **48-2e-911** is enacted to read:

6450 **48-2e-911. Withdrawal of registration of registered foreign limited partnership.**

6451 (1) A registered foreign limited partnership may withdraw its registration by delivering  
6452 a statement of withdrawal to the division for filing. The statement of withdrawal must state:

6453 (a) the name of the foreign limited partnership and its jurisdiction of formation;

6454 (b) that the foreign limited partnership is not doing business in this state and that it  
6455 withdraws its registration to do business in this state;

6456 (c) that the foreign limited partnership revokes the authority of its registered agent to  
6457 accept service on its behalf in this state; and

6458 (d) an address to which service of process may be made under Subsection (2).

6459 (2) After the withdrawal of the registration of a partnership, service of process in any  
6460 action or proceeding based on a cause of action arising during the time the foreign limited  
6461 partnership was registered to do business in this state may be made pursuant to Subsection  
6462 16-17-301(2).

6463 Section 233. Section **48-2e-912** is enacted to read:

6464 **48-2e-912. Action by attorney general.**

6465 The attorney general may maintain an action to enjoin a foreign limited partnership  
6466 from doing business in this state in violation of this part.

6467 Section 234. Section **48-2e-1001** is enacted to read:

6468 **Part 10. Actions by Partners**

6469 **48-2e-1001. Direct action by partner.**

6470 (1) Subject to Subsection (2), a partner may maintain a direct action against another  
6471 partner or the limited partnership, with or without an accounting as to the limited partnership's  
6472 activities and affairs, to enforce the partner's rights and otherwise protect the partner's interests,  
6473 including rights and interests under the partnership agreement or this chapter or arising  
6474 independently of the partnership relationship.

6475 (2) A partner maintaining a direct action under this section must plead and prove an  
6476 actual or threatened injury that is not solely the result of an injury suffered or threatened to be  
6477 suffered by the limited partnership.

6478 (3) A right to an accounting upon a dissolution and winding up does not revive a claim  
6479 barred by law.

6480 Section 235. Section **48-2e-1002** is enacted to read:

6481 **48-2e-1002. Derivative action.**

6482 A partner may maintain a derivative action to enforce a right of a limited partnership if:

6483 (1) the partner first makes a demand on the general partners, requesting that they cause  
6484 the limited partnership to bring an action to enforce the right, and the general partners do not  
6485 bring the action within a reasonable time; or

6486 (2) a demand under Subsection (1) would be futile.

6487 Section 236. Section **48-2e-1003** is enacted to read:

6488 **48-2e-1003. Proper plaintiff.**

6489 A derivative action to enforce a right of a limited partnership may be maintained only  
6490 by a person that is a partner at the time the action is commenced and:

6491 (1) which was a partner when the conduct giving rise to the action occurred; or

6492 (2) whose status as a partner devolved on the person by operation of law or pursuant to  
6493 the terms of the partnership agreement from a person that was a partner at the time of the  
6494 conduct.

6495 Section 237. Section **48-2e-1004** is enacted to read:

6496 **48-2e-1004. Pleading.**

6497 In a derivative action to enforce a right of a limited partnership, the complaint must

6498 state with particularity:

6499 (1) the date and content of the plaintiff's demand and the response to the demand by the  
6500 general partner; or

6501 (2) why demand should be excused as futile.

6502 Section 238. Section **48-2e-1005** is enacted to read:

6503 **48-2e-1005. Special litigation committee.**

6504 (1) If a limited partnership is named as or made a party in a derivative proceeding, the  
6505 limited partnership may appoint a special litigation committee to investigate the claims asserted  
6506 in the proceeding and determine whether pursuing the action is in the best interests of the  
6507 limited partnership. If the limited partnership appoints a special litigation committee, on  
6508 motion by the committee made in the name of the limited partnership, except for good cause  
6509 shown, the court shall stay discovery for the time reasonably necessary to permit the committee  
6510 to make its investigation. This subsection does not prevent the court from:

6511 (a) enforcing a person's right to information under Section 48-2e-304 or 48-2e-407; or

6512 (b) granting extraordinary relief in the form of a temporary restraining order or  
6513 preliminary injunction.

6514 (2) A special litigation committee must be composed of one or more disinterested and  
6515 independent individuals, who may be partners.

6516 (3) A special litigation committee may be appointed:

6517 (a) by a majority of the general partners not named as parties in the proceeding; and

6518 (b) if all general partners are named as parties in the proceeding, by a majority of the  
6519 general partners named as defendants.

6520 (4) After appropriate investigation, a special litigation committee may determine that it  
6521 is in the best interests of the limited partnership that the proceeding:

6522 (a) continue under the control of the plaintiff;

6523 (b) continue under the control of the committee;

6524 (c) be settled on terms approved by the committee; or

6525 (d) be dismissed.

6526 (5) After making a determination under Subsection (4), a special litigation committee  
6527 shall file with the court a statement of its determination and its report supporting its  
6528 determination and shall serve each party with a copy of the determination and report. The court  
6529 shall determine whether the members of the committee were disinterested and independent and  
6530 whether the committee conducted its investigation and made its recommendation in good faith,  
6531 independently, and with reasonable care, with the committee having the burden of proof. If the  
6532 court finds that the members of the committee were disinterested and independent and that the  
6533 committee acted in good faith, independently, and with reasonable care, the court shall enforce  
6534 the determination of the committee. Otherwise, the court shall dissolve the stay of discovery  
6535 entered under Subsection (1) and allow the action to continue under the control of the plaintiff.

6536 Section 239. Section **48-2e-1006** is enacted to read:

6537 **48-2e-1006. Proceeds and expenses.**

6538 (1) Except as otherwise provided in Subsection (2):

6539 (a) any proceeds or other benefits of a derivative action, whether by judgment,  
6540 compromise, or settlement, belong to the limited partnership and not to the plaintiff; and

6541 (b) if the plaintiff receives any proceeds, the plaintiff shall remit them immediately to  
6542 the limited partnership.

6543 (2) If a derivative action is successful in whole or in part, the court may award the  
6544 plaintiff reasonable expenses, including reasonable attorney's fees and costs, from the recovery  
6545 of the limited partnership.

6546 (3) A derivative action on behalf of a limited partnership may not be voluntarily  
6547 dismissed or settled without the court's approval.

6548 Section 240. Section **48-2e-1101** is enacted to read:

6549 **Part 11. Merger, Interest Exchange, Conversion, and Domestication**

6550 **48-2e-1101. Definitions.**

6551 In this part:

6552 (1) "Acquired entity" means the entity, all of one or more classes or series of interests  
6553 in which are acquired in an interest exchange.

6554           (2) "Acquiring entity" means the entity that acquires all of one or more classes or series  
6555 of interests of the acquired entity in an interest exchange.

6556           (3) "Conversion" means a transaction authorized by Sections 48-2e-1141 through  
6557 48-2e-1146.

6558           (4) "Converted entity" means the converting entity as it continues in existence after a  
6559 conversion.

6560           (5) "Converting entity" means the domestic entity that approves a plan of conversion  
6561 pursuant to Section 48-2e-1143 or the foreign entity that approves a conversion pursuant to the  
6562 law of its jurisdiction of formation.

6563           (6) "Distributional interest" means the right under an unincorporated entity's organic  
6564 law and organic rules to receive distributions from the entity.

6565           (7) "Domestic," with respect to an entity, means governed as to its internal affairs by  
6566 the law of this state.

6567           (8) "Domesticated limited partnership" means the domesticating limited partnership as  
6568 it continues in existence after a domestication.

6569           (9) "Domesticating limited partnership" means the domestic limited partnership that  
6570 approves a plan of domestication pursuant to Section 48-2e-1153 or the foreign limited  
6571 partnership that approves a domestication pursuant to the law of its jurisdiction of formation.

6572           (10) "Domestication" means a transaction authorized by Sections 48-2e-1151 through  
6573 48-2e-1156.

6574           (11) "Entity":

6575           (a) means:

6576           (i) a business corporation;

6577           (ii) a nonprofit corporation;

6578           (iii) a general partnership, including a limited liability partnership;

6579           (iv) a limited partnership, including a limited liability limited partnership;

6580           (v) a limited liability company;

6581           (vi) a limited cooperative association;

- 6582 (vii) an unincorporated nonprofit association;  
6583 (viii) a statutory trust, business trust, or common-law business trust; or  
6584 (ix) any other person that has:  
6585 (A) a legal existence separate from any interest holder of that person; or  
6586 (B) the power to acquire an interest in real property in its own name; and  
6587 (b) does not include:  
6588 (i) an individual;  
6589 (ii) a trust with a predominantly donative purpose, or a charitable trust;  
6590 (iii) an association or relationship that is not a partnership solely by reason of  
6591 Subsection 48-1d-202(3) or a similar provision of the law of another jurisdiction;  
6592 (iv) a decedent's estate; or  
6593 (v) a government or a governmental subdivision, agency, or instrumentality.  
6594 (12) "Filing entity" means an entity whose formation requires the filing of a public  
6595 organic record.  
6596 (13) "Foreign," with respect to an entity, means an entity governed as to its internal  
6597 affairs by the law of a jurisdiction other than this state.  
6598 (14) "Governance interest" means a right under the organic law or organic rules of an  
6599 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:  
6600 (a) receive or demand access to information concerning, or the books and records of,  
6601 the entity;  
6602 (b) vote for or consent to the election of the governors of the entity; or  
6603 (c) receive notice of or vote on or consent to an issue involving the internal affairs of  
6604 the entity.  
6605 (15) "Governor" means:  
6606 (a) a director of a business corporation;  
6607 (b) a director or trustee of a nonprofit corporation;  
6608 (c) a general partner of a general partnership;  
6609 (d) a general partner of a limited partnership;

6610 (e) a manager of a manager-managed limited liability company;  
6611 (f) a member of a member-managed limited liability company;  
6612 (g) a director of a limited cooperative association;  
6613 (h) a manager of an unincorporated nonprofit association;  
6614 (i) a trustee of a statutory trust, business trust, or common-law business trust; or  
6615 (j) any other person under whose authority the powers of an entity are exercised and  
6616 under whose direction the activities and affairs of the entity are managed pursuant to the  
6617 organic law and organic rules of the entity.

6618 (16) "Interest" means:  
6619 (a) a share in a business corporation;  
6620 (b) a membership in a nonprofit corporation;  
6621 (c) a partnership interest in a general partnership;  
6622 (d) a partnership interest in a limited partnership;  
6623 (e) a membership interest in a limited liability company;  
6624 (f) a member's interest in a limited cooperative association;  
6625 (g) a membership in an unincorporated nonprofit association;  
6626 (h) a beneficial interest in a statutory trust, business trust, or common-law business  
6627 trust; or  
6628 (i) a governance interest or distributional interest in any other type of unincorporated  
6629 entity.

6630 (17) "Interest exchange" means a transaction authorized by Sections 48-2e-1131  
6631 through 48-2e-1136.

6632 (18) "Interest holder" means:  
6633 (a) a shareholder of a business corporation;  
6634 (b) a member of a nonprofit corporation;  
6635 (c) a general partner of a general partnership;  
6636 (d) a general partner of a limited partnership;  
6637 (e) a limited partner of a limited partnership;

- 6638 (f) a member of a limited liability company;
- 6639 (g) a member of a limited cooperative association;
- 6640 (h) a member of an unincorporated nonprofit association;
- 6641 (i) a beneficiary or beneficial owner of a statutory trust, business trust, or common-law
- 6642 business trust; or
- 6643 (j) any other direct holder of an interest.
- 6644 (19) "Interest holder liability" means:
- 6645 (a) personal liability for a liability of an entity which is imposed on a person:
- 6646 (i) solely by reason of the status of the person as an interest holder; or
- 6647 (ii) by the organic rules of the entity which make one or more specified interest holders
- 6648 or categories of interest holders liable in their capacity as interest holders for all or specified
- 6649 liabilities of the entity; or
- 6650 (b) an obligation of an interest holder under the organic rules of an entity to contribute
- 6651 to the entity.
- 6652 (20) "Jurisdiction of formation" means the jurisdiction whose law includes the organic
- 6653 law of an entity.
- 6654 (21) "Merger" means a transaction authorized by Sections 48-2e-1121 through
- 6655 48-2e-1126.
- 6656 (22) "Merging entity" means an entity that is a party to a merger and exists
- 6657 immediately before the merger becomes effective.
- 6658 (23) "Organic law" means the law of an entity's jurisdiction of formation governing the
- 6659 internal affairs of the entity.
- 6660 (24) "Organic rules" means the public organic record and private organic rules of an
- 6661 entity.
- 6662 (25) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or
- 6663 plan of domestication.
- 6664 (26) "Plan of conversion" means a plan under Section 48-2e-1142.
- 6665 (27) "Plan of domestication" means a plan under Section 48-2e-1152.

- 6666           (28) "Plan of interest exchange" means a plan under Section 48-2e-1132.
- 6667           (29) "Plan of merger" means a plan under Section 48-2e-1122.
- 6668           (30) "Private organic rules" means the rules, whether or not in a record, that govern the  
6669 internal affairs of an entity, are binding on all its interest holders, and are not part of its public  
6670 organic record, if any. The term includes:
- 6671           (a) the bylaws of a business corporation;
- 6672           (b) the bylaws of a nonprofit corporation;
- 6673           (c) the partnership agreement of a general partnership;
- 6674           (d) the partnership agreement of a limited partnership;
- 6675           (e) the operating agreement of a limited liability company;
- 6676           (f) the bylaws of a limited cooperative association;
- 6677           (g) the governing principles of an unincorporated nonprofit association; and
- 6678           (h) the trust instrument of a statutory trust or similar rules of a business trust or a  
6679 common-law business trust.
- 6680           (31) "Protected agreement" means:
- 6681           (a) a record evidencing indebtedness and any related agreement in effect on January 1,  
6682 2014;
- 6683           (b) an agreement that is binding on an entity on January 1, 2014;
- 6684           (c) the organic rules of an entity in effect on January 1, 2014; or
- 6685           (d) an agreement that is binding on any of the governors or interest holders of an entity  
6686 on January 1, 2014.
- 6687           (32) "Public organic record" means the record, the filing of which by the division is  
6688 required to form an entity, and any amendment to or restatement of that record. The term  
6689 includes:
- 6690           (a) the articles of incorporation of a business corporation;
- 6691           (b) the articles of incorporation of a nonprofit corporation;
- 6692           (c) the certificate of limited partnership of a limited partnership;
- 6693           (d) the certificate of organization of a limited liability company;

- 6694 (e) the articles of organization of a limited cooperative association; and  
6695 (f) the certificate of trust of a statutory trust or similar record of a business trust.  
6696 (33) "Registered foreign entity" means a foreign entity that is registered to do business  
6697 in this state pursuant to a record filed by the division.  
6698 (34) "Statement of conversion" means a statement under Section 48-2e-1145.  
6699 (35) "Statement of domestication" means a statement under Section 48-2e-1155.  
6700 (36) "Statement of interest exchange" means a statement under Section 48-2e-1135.  
6701 (37) "Statement of merger" means a statement under Section 48-2e-1125.  
6702 (38) "Surviving entity" means the entity that continues in existence after or is created  
6703 by a merger.  
6704 (39) "Type of entity" means a generic form of entity:  
6705 (a) recognized at common law; or  
6706 (b) formed under an organic law, whether or not some entities formed under that  
6707 organic law are subject to provisions of that law that create different categories of the form of  
6708 entity.  
6709 Section 241. Section **48-2e-1102** is enacted to read:  
6710 **48-2e-1102. Relationship of part to other laws.**  
6711 This part does not authorize an act prohibited by, and does not affect the application or  
6712 requirements of, law other than this part.  
6713 Section 242. Section **48-2e-1103** is enacted to read:  
6714 **48-2e-1103. Required notice or approval.**  
6715 (1) A domestic or foreign entity that is required to give notice to, or obtain the approval  
6716 of, a governmental agency or officer of this state to be a party to a merger must give the notice  
6717 or obtain the approval to be a party to an interest exchange, conversion, or domestication.  
6718 (2) Property held for a charitable purpose under the law of this state by a domestic or  
6719 foreign entity immediately before a transaction under this part becomes effective may not, as a  
6720 result of the transaction, be diverted from the objects for which it was donated, granted,  
6721 devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this

6722 state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity  
6723 obtains an appropriate order of the district court specifying the disposition of the property.

6724 (3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of  
6725 donation, subscription, or conveyance that is made to a merging entity that is not the surviving  
6726 entity and that takes effect or remains payable after the merger inures to the surviving entity. A  
6727 trust obligation that would govern property if transferred to the nonsurviving entity applies to  
6728 property that is transferred to the surviving entity under this section.

6729 Section 243. Section **48-2e-1104** is enacted to read:

6730 **48-2e-1104. Status of filings.**

6731 A filing under this part signed by a domestic entity becomes part of the public organic  
6732 record of the entity if the entity's organic law provides that similar filings under that law  
6733 become part of the public organic record of the entity.

6734 Section 244. Section **48-2e-1105** is enacted to read:

6735 **48-2e-1105. Nonexclusivity.**

6736 The fact that a transaction under this part produces a certain result does not preclude the  
6737 same result from being accomplished in any other manner permitted by law other than this part.

6738 Section 245. Section **48-2e-1106** is enacted to read:

6739 **48-2e-1106. Reference to external facts.**

6740 A plan may refer to facts ascertainable outside the plan if the manner in which the facts  
6741 will operate upon the plan is specified in the plan. The facts may include the occurrence of an  
6742 event or a determination or action by a person, whether or not the event, determination, or  
6743 action is within the control of a party to the transaction.

6744 Section 246. Section **48-2e-1107** is enacted to read:

6745 **48-2e-1107. Alternative means of approval of transactions.**

6746 Except as otherwise provided in the organic law or organic rules of a domestic entity,  
6747 approval of a transaction under this part by the unanimous vote or consent of its interest  
6748 holders satisfies the requirements of this part for approval of the transaction.

6749 Section 247. Section **48-2e-1108** is enacted to read:

6750 **48-2e-1108. Appraisal rights.**

6751 (1) An interest holder of a domestic merging, acquired, converting, or domesticating  
6752 entity is entitled to appraisal rights in connection with the transaction if the interest holder  
6753 would have been entitled to appraisal rights under the entity's organic law in connection with a  
6754 merger in which the interest of the interest holder was changed, converted, or exchanged  
6755 unless:

6756 (a) the organic law permits the organic rules to limit the availability of appraisal rights;  
6757 and

6758 (b) the organic rules provide such a limit.

6759 (2) An interest holder of a domestic merging, acquired, converting, or domesticating  
6760 entity is entitled to contractual appraisal rights in connection with a transaction under this part  
6761 to the extent provided in:

6762 (a) the entity's organic rules; or

6763 (b) the plan.

6764 Section 248. Section **48-2e-1121** is enacted to read:

6765 **48-2e-1121. Merger authorized.**

6766 (1) By complying with Sections 48-2e-1121 through 48-2e-1126:

6767 (a) one or more domestic limited partnerships may merge with one or more domestic or  
6768 foreign entities into a domestic or foreign surviving entity; and

6769 (b) two or more foreign entities may merge into a domestic limited partnership.

6770 (2) By complying with the provisions of Sections 48-2e-1121 through 48-2e-1126  
6771 applicable to foreign entities, a foreign entity may be a party to a merger under Sections  
6772 48-2e-1121 through 48-2e-1126 or may be the surviving entity in such a merger if the merger is  
6773 authorized by the law of the foreign entity's jurisdiction of formation.

6774 Section 249. Section **48-2e-1122** is enacted to read:

6775 **48-2e-1122. Plan of merger.**

6776 (1) A domestic limited partnership may become a party to a merger under Sections  
6777 48-2e-1121 through 48-2e-1126 by approving a plan of merger. The plan must be in a record

6778 and contain:

6779 (a) as to each merging entity, its name, jurisdiction of formation, and type of entity;

6780 (b) if the surviving entity is to be created in the merger, a statement to that effect and  
6781 the entity's name, jurisdiction of formation, and type of entity;

6782 (c) the manner of converting the interests in each party to the merger into interests,  
6783 securities, obligations, money, other property, rights to acquire interests or securities, or any  
6784 combination of the foregoing;

6785 (d) if the surviving entity exists before the merger, any proposed amendments to its  
6786 public organic record, if any, or to its private organic rules that are, or are proposed to be, in a  
6787 record;

6788 (e) if the surviving entity is to be created in the merger, its proposed public organic  
6789 record, if any, and the full text of its private organic rules that are proposed to be in a record;

6790 (f) the other terms and conditions of the merger; and

6791 (g) any other provision required by the law of a merging entity's jurisdiction of  
6792 formation or the organic rules of a merging entity.

6793 (2) In addition to the requirements of Subsection (1), a plan of merger may contain any  
6794 other provision not prohibited by law.

6795 Section 250. Section **48-2e-1123** is enacted to read:

6796 **48-2e-1123. Approval of merger.**

6797 (1) A plan of merger is not effective unless it has been approved:

6798 (a) by a domestic merging limited partnership, by all the partners of the limited  
6799 partnership entitled to vote on or consent to any matter; and

6800 (b) in a record, by each partner of a domestic merging limited partnership that will  
6801 have interest holder liability for debts, obligations, and other liabilities that arise after the  
6802 merger becomes effective, unless:

6803 (i) the partnership agreement of the limited partnership in a record provides for the  
6804 approval of a merger in which some or all of its partners become subject to interest holder  
6805 liability by the vote or consent of fewer than all the partners; and

6806 (ii) the partner consented in a record to or voted for that provision of the partnership  
6807 agreement or became a partner after the adoption of that provision.

6808 (2) A merger involving a domestic merging entity that is not a limited partnership is  
6809 not effective unless the merger is approved by that entity in accordance with its organic law.

6810 (3) A merger involving a foreign merging entity is not effective unless the merger is  
6811 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
6812 formation.

6813 Section 251. Section **48-2e-1124** is enacted to read:

6814 **48-2e-1124. Amendment or abandonment of plan of merger.**

6815 (1) A plan of merger may be amended only with the consent of each party to the plan,  
6816 except as otherwise provided in the plan.

6817 (2) A domestic merging limited partnership may approve an amendment of a plan of  
6818 merger:

6819 (a) in the same manner as the plan was approved, if the plan does not provide for the  
6820 manner in which it may be amended; or

6821 (b) by the partners in the manner provided in the plan, but a partner that was entitled to  
6822 vote on or consent to approval of the merger is entitled to vote on or consent to any amendment  
6823 of the plan that will change:

6824 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
6825 to acquire interests or securities, or any combination of the foregoing, to be received by the  
6826 interest holders of any party to the plan;

6827 (ii) the public organic record, if any, or private organic rules of the surviving entity that  
6828 will be in effect immediately after the merger becomes effective, except for changes that do not  
6829 require approval of the interest holders of the surviving entity under its organic law or organic  
6830 rules; or

6831 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
6832 partner in any material respect.

6833 (3) After a plan of merger has been approved and before a statement of merger

6834 becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by  
6835 the plan, a domestic merging limited partnership may abandon the plan in the same manner as  
6836 the plan was approved.

6837 (4) If a plan of merger is abandoned after a statement of merger has been delivered to  
6838 the division for filing and before the statement becomes effective, a statement of abandonment,  
6839 signed by a party to the plan, must be delivered to the division for filing before the statement of  
6840 merger becomes effective. The statement of abandonment takes effect on filing, and the  
6841 merger is abandoned and does not become effective. The statement of abandonment must  
6842 contain:

6843 (a) the name of each party to the plan of merger;

6844 (b) the date on which the statement of merger was delivered to the division for filing;

6845 and

6846 (c) a statement that the merger has been abandoned in accordance with this section.

6847 Section 252. Section **48-2e-1125** is enacted to read:

6848 **48-2e-1125. Statement of merger.**

6849 (1) A statement of merger must be signed by each merging entity and delivered to the  
6850 division for filing.

6851 (2) A statement of merger must contain:

6852 (a) the name, jurisdiction of formation, and type of entity of each merging entity that is  
6853 not the surviving entity;

6854 (b) the name, jurisdiction of formation, and type of entity of the surviving entity;

6855 (c) a statement that the merger was approved by each domestic merging entity, if any,  
6856 in accordance with Sections 48-2e-1121 through 48-2e-1126 and by each foreign merging  
6857 entity, if any, in accordance with the law of its jurisdiction of formation;

6858 (d) if the surviving entity exists before the merger and is a domestic filing entity, any  
6859 amendment to its public organic record approved as part of the plan of merger;

6860 (e) if the surviving entity is created by the merger and is a domestic filing entity, its  
6861 public organic record, as an attachment;

6862 (f) if the surviving entity is created by the merger and is a domestic limited liability  
6863 partnership, its statement of qualification, as an attachment; and

6864 (g) if the surviving entity is a foreign entity that is not a registered foreign entity, a  
6865 mailing address to which the division may send any process served on the division pursuant to  
6866 Subsection 48-2e-1126(5).

6867 (3) In addition to the requirements of Subsection (2), a statement of merger may  
6868 contain any other provision not prohibited by law.

6869 (4) If the surviving entity is a domestic entity, its public organic record, if any, must  
6870 satisfy the requirements of the law of this state, but the public organic record does not need to  
6871 be signed.

6872 (5) A plan of merger that is signed by all the merging entities and meets all the  
6873 requirements of Subsection (2) may be delivered to the division for filing instead of a statement  
6874 of merger and on filing has the same effect. If a plan of merger is filed as provided in this  
6875 Subsection (5), references in this part to a statement of merger refer to the plan of merger filed  
6876 under this Subsection (5).

6877 Section 253. Section **48-2e-1126** is enacted to read:

6878 **48-2e-1126. Effect of merger.**

6879 (1) When a merger becomes effective:

6880 (a) the surviving entity continues or comes into existence;

6881 (b) each merging entity that is not the surviving entity ceases to exist;

6882 (c) all property of each merging entity vests in the surviving entity without transfer,  
6883 reversion, or impairment;

6884 (d) all debts, obligations, and other liabilities of each merging entity are debts,  
6885 obligations, and other liabilities of the surviving entity;

6886 (e) except as otherwise provided by law or the plan of merger, all the rights, privileges,  
6887 immunities, powers, and purposes of each merging entity vest in the surviving entity;

6888 (f) if the surviving entity exists before the merger:

6889 (i) all its property continues to be vested in it without transfer, reversion, or

6890 impairment;

6891 (ii) it remains subject to all its debts, obligations, and other liabilities; and

6892 (iii) all its rights, privileges, immunities, powers, and purposes continue to be vested in

6893 it;

6894 (g) the name of the surviving entity may be substituted for the name of any merging

6895 entity that is a party to any pending action or proceeding;

6896 (h) if the surviving entity exists before the merger:

6897 (i) its public organic record, if any, is amended as provided in the statement of merger;

6898 and

6899 (ii) its private organic rules that are to be in a record, if any, are amended to the extent

6900 provided in the plan of merger;

6901 (i) if the surviving entity is created by the merger:

6902 (i) its public organic record, if any, is effective; and

6903 (ii) its private organic rules are effective; and

6904 (j) the interests in each merging entity which are to be converted in the merger are

6905 converted, and the interest holders of those interests are entitled only to the rights provided to

6906 them under the plan of merger and to any appraisal rights they have under Section 48-2e-1108

6907 and the merging entity's organic law.

6908 (2) Except as otherwise provided in the organic law or organic rules of a merging

6909 entity, the merger does not give rise to any rights that an interest holder, governor, or third

6910 party would otherwise have upon a dissolution, liquidation, or winding up of the merging

6911 entity.

6912 (3) When a merger becomes effective, a person that did not have interest holder

6913 liability with respect to any of the merging entities and becomes subject to interest holder

6914 liability with respect to a domestic entity as a result of the merger has interest holder liability

6915 only to the extent provided by the organic law of that entity and only for those debts,

6916 obligations, and other liabilities that arise after the merger becomes effective.

6917 (4) When a merger becomes effective, the interest holder liability of a person that

6918 ceases to hold an interest in a domestic merging entity with respect to which the person had  
6919 interest holder liability is as follows:

6920 (a) The merger does not discharge any interest holder liability under the organic law of  
6921 the domestic merging entity to the extent the interest holder liability arose before the merger  
6922 became effective.

6923 (b) The person does not have interest holder liability under the organic law of the  
6924 domestic merging entity for any debt, obligation, or other liability that arises after the merger  
6925 becomes effective.

6926 (c) The organic law of the domestic merging entity continues to apply to the release,  
6927 collection, or discharge of any interest holder liability preserved under Subsection (4)(a) as if  
6928 the merger had not occurred and the surviving entity were the domestic merging entity.

6929 (d) The person has whatever rights of contribution from any other person as are  
6930 provided by law other than this chapter, this chapter, or the organic rules of the domestic  
6931 merging entity with respect to any interest holder liability preserved under Subsection (4)(a) as  
6932 if the merger had not occurred.

6933 (5) When a merger becomes effective, a foreign entity that is the surviving entity may  
6934 be served with process in this state for the collection and enforcement of any debts, obligations,  
6935 or other liabilities of a domestic merging entity as provided in Section 16-17-301.

6936 (6) When a merger becomes effective, the registration to do business in this state of  
6937 any foreign merging entity that is not the surviving entity is canceled.

6938 Section 254. Section **48-2e-1131** is enacted to read:

6939 **48-2e-1131. Interest exchange authorized.**

6940 (1) By complying with Sections 48-2e-1131 through 48-2e-1136:

6941 (a) a domestic limited partnership may acquire all of one or more classes or series of  
6942 interests of another domestic or foreign entity in exchange for interests, securities, obligations,  
6943 money, other property, rights to acquire interests or securities, or any combination of the  
6944 foregoing; or

6945 (b) all of one or more classes or series of interests of a domestic limited partnership

6946 may be acquired by another domestic or foreign entity in exchange for interests, securities,  
6947 obligations, rights to acquire interests or securities, money, or other property, or any  
6948 combination of the foregoing.

6949 (2) By complying with the provisions of Sections 48-2e-1131 through 48-2e-1136  
6950 applicable to foreign entities, a foreign entity may be the acquiring or acquired entity in an  
6951 interest exchange under Sections 48-2e-1131 through 48-2e-1136 if the interest exchange is  
6952 authorized by the law of the foreign entity's jurisdiction of formation.

6953 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
6954 limited partnership but does not refer to an interest exchange, the provision applies to an  
6955 interest exchange in which the domestic limited partnership is the acquired entity as if the  
6956 interest exchange were a merger until the provision is amended after January 1, 2014.

6957 Section 255. Section **48-2e-1132** is enacted to read:

6958 **48-2e-1132. Plan of interest exchange.**

6959 (1) A domestic limited partnership may be the acquired entity in an interest exchange  
6960 under Sections 48-2e-1131 through 48-2e-1136 by approving a plan of interest exchange. The  
6961 plan must be in a record and contain:

6962 (a) the name of the acquired entity;

6963 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;

6964 (c) the manner of converting the interests in the acquired entity into interests,  
6965 securities, obligations, money, other property, rights to acquire interests or securities, or any  
6966 combination of the foregoing;

6967 (d) any proposed amendments to the certificate of limited partnership or partnership  
6968 agreement that are, or are proposed to be, in a record of the acquired entity;

6969 (e) the other terms and conditions of the interest exchange; and

6970 (f) any other provision required by the law of this state or the partnership agreement of  
6971 the acquired entity.

6972 (2) In addition to the requirements of Subsection (1), a plan of interest exchange may  
6973 contain any other provision not prohibited by law.

6974 Section 256. Section **48-2e-1133** is enacted to read:

6975 **48-2e-1133. Approval of interest exchange.**

6976 (1) A plan of interest exchange is not effective unless it has been approved:

6977 (a) by all the partners of a domestic acquired limited partnership entitled to vote on or  
6978 consent to any matter; and

6979 (b) in a record, by each partner of the domestic acquired limited partnership that will  
6980 have interest holder liability for debts, obligations, and other liabilities that arise after the  
6981 interest exchange becomes effective, unless:

6982 (i) the partnership agreement of the limited partnership in a record provides for the  
6983 approval of an interest exchange or a merger in which some or all of its partners become  
6984 subject to interest holder liability by the vote or consent of fewer than all of the partners; and

6985 (ii) the partner consented in a record to or voted for that provision of the partnership  
6986 agreement or became a partner after the adoption of that provision.

6987 (2) An interest exchange involving a domestic acquired entity that is not a limited  
6988 partnership is not effective unless it is approved by the domestic entity in accordance with its  
6989 organic law.

6990 (3) An interest exchange involving a foreign acquired entity is not effective unless it is  
6991 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
6992 formation.

6993 (4) Except as otherwise provided in its organic law or organic rules, the interest holders  
6994 of the acquiring entity are not required to approve the interest exchange.

6995 Section 257. Section **48-2e-1134** is enacted to read:

6996 **48-2e-1134. Amendment or abandonment of plan of interest exchange.**

6997 (1) A plan of interest exchange may be amended only with the consent of each party to  
6998 the plan, except as otherwise provided in the plan.

6999 (2) A domestic acquired limited partnership may approve an amendment of a plan of  
7000 interest exchange:

7001 (a) in the same manner as the plan was approved, if the plan does not provide for the

7002 manner in which it may be amended; or

7003 (b) by the partners of the limited partnership in the manner provided in the plan, but a  
7004 partner that was entitled to vote on or consent to approval of the interest exchange is entitled to  
7005 vote on or consent to any amendment of the plan that will change:

7006 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
7007 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
7008 the partners of the acquired limited partnership under the plan;

7009 (ii) the certificate of limited partnership or partnership agreement of the acquired  
7010 limited partnership that will be in effect immediately after the interest exchange becomes  
7011 effective, except for changes that do not require approval of the partners of the acquired limited  
7012 partnership under this chapter or the partnership agreement; or

7013 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
7014 partner in any material respect.

7015 (3) After a plan of interest exchange has been approved and before a statement of  
7016 interest exchange becomes effective, the plan may be abandoned as provided in the plan.

7017 Unless prohibited by the plan, a domestic acquired limited partnership may abandon the plan in  
7018 the same manner as the plan was approved.

7019 (4) If a plan of interest exchange is abandoned after a statement of interest exchange  
7020 has been delivered to the division for filing and before the statement becomes effective, a  
7021 statement of abandonment, signed by the acquired limited partnership, must be delivered to the  
7022 division for filing before the statement of interest exchange becomes effective. The statement  
7023 of abandonment takes effect on filing, and the interest exchange is abandoned and does not  
7024 become effective. The statement of abandonment must contain:

7025 (a) the name of the acquired limited partnership;

7026 (b) the date on which the statement of interest exchange was delivered to the division  
7027 for filing; and

7028 (c) a statement that the interest exchange has been abandoned in accordance with this  
7029 section.

7030 Section 258. Section **48-2e-1135** is enacted to read:

7031 **48-2e-1135. Statement of interest exchange.**

7032 (1) A statement of interest exchange must be signed by a domestic acquired limited  
7033 partnership and delivered to the division for filing.

7034 (2) A statement of interest exchange must contain:

7035 (a) the name of the acquired limited partnership;

7036 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;

7037 (c) a statement that the plan of interest exchange was approved by the acquired entity  
7038 in accordance with Sections 48-2e-1131 through 48-2e-1136; and

7039 (d) any amendments to the acquired limited partnership's certificate of limited  
7040 partnership approved as part of the plan of interest exchange.

7041 (3) In addition to the requirements of Subsection (2), a statement of interest exchange  
7042 may contain any other provision not prohibited by law.

7043 (4) A plan of interest exchange that is signed by a domestic acquired limited  
7044 partnership and meets all the requirements of Subsection (2) may be delivered to the division  
7045 for filing instead of a statement of interest exchange and on filing has the same effect. If a plan  
7046 of interest exchange is filed as provided in this Subsection (4), references in this part to a  
7047 statement of interest exchange refer to the plan of interest exchange filed under this Subsection  
7048 (4).

7049 Section 259. Section **48-2e-1136** is enacted to read:

7050 **48-2e-1136. Effect of interest exchange.**

7051 (1) When an interest exchange in which the acquired entity is a domestic limited  
7052 partnership becomes effective:

7053 (a) the interests in the domestic acquired limited partnership that are the subject of the  
7054 interest exchange cease to exist or are converted or exchanged, and the partners holding those  
7055 interests are entitled only to the rights provided to them under the plan of interest exchange and  
7056 to any appraisal rights they have under Section 48-2e-1108;

7057 (b) the acquiring entity becomes the interest holder of the interests in the acquired

7058 limited partnership stated in the plan of interest exchange to be acquired by the acquiring  
7059 entity;

7060 (c) the certificate of limited partnership of the acquired limited partnership is amended  
7061 as provided in the statement of interest exchange; and

7062 (d) the provisions of the partnership agreement of the acquired limited partnership that  
7063 are to be in a record, if any, are amended to the extent provided in the plan of interest  
7064 exchange.

7065 (2) Except as otherwise provided in the partnership agreement of a domestic acquired  
7066 limited partnership, the interest exchange does not give rise to any rights that a partner or third  
7067 party would have upon a dissolution, liquidation, or winding up of the acquired limited  
7068 partnership.

7069 (3) When an interest exchange becomes effective, a person that did not have interest  
7070 holder liability with respect to a domestic acquired limited partnership and becomes subject to  
7071 interest holder liability with respect to a domestic entity as a result of the interest exchange has  
7072 interest holder liability only to the extent provided by the organic law of the entity and only for  
7073 those debts, obligations, and other liabilities that arise after the interest exchange becomes  
7074 effective.

7075 (4) When an interest exchange becomes effective, the interest holder liability of a  
7076 person that ceases to hold an interest in a domestic acquired limited partnership with respect to  
7077 which the person had interest holder liability is as follows:

7078 (a) The interest exchange does not discharge any interest holder liability to the extent  
7079 the interest holder liability arose before the interest exchange became effective.

7080 (b) The person does not have interest holder liability for any debt, obligation, or other  
7081 liability that arises after the interest exchange becomes effective.

7082 (c) The person has whatever rights of contribution from any other person as are  
7083 provided by other law, this chapter, or the partnership agreement of the acquired entity with  
7084 respect to any interest holder liability preserved under Subsection (4)(a) as if the interest  
7085 exchange had not occurred.

7086 Section 260. Section **48-2e-1141** is enacted to read:

7087 **48-2e-1141. Conversion authorized.**

7088 (1) By complying with Sections 48-2e-1141 through 48-2e-1146 a domestic limited  
7089 partnership may become:

7090 (a) a domestic entity that is a different type of entity; or

7091 (b) a foreign entity that is a different type of entity, if the conversion is authorized by  
7092 the law of the foreign jurisdiction.

7093 (2) By complying with the provisions of Sections 48-2e-1141 through 48-2e-1146  
7094 applicable to foreign entities, a foreign entity that is not a foreign limited partnership may  
7095 become a domestic limited partnership if the conversion is authorized by the law of the foreign  
7096 entity's jurisdiction of formation.

7097 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
7098 limited partnership but does not refer to a conversion, the provision applies to a conversion of  
7099 the entity as if the conversion were a merger until the provision is amended after January 1,  
7100 2014.

7101 Section 261. Section **48-2e-1142** is enacted to read:

7102 **48-2e-1142. Plan of conversion.**

7103 (1) A domestic limited partnership may convert to a different type of entity under  
7104 Sections 48-2e-1141 through 48-2e-1146 by approving a plan of conversion. The plan must be  
7105 in a record and contain:

7106 (a) the name of the converting limited partnership;

7107 (b) the name, jurisdiction of formation, and type of entity of the converted entity;

7108 (c) the manner of converting the interests in the converting limited partnership into  
7109 interests, securities, obligations, money, other property, rights to acquire interests or securities,  
7110 or any combination of the foregoing;

7111 (d) the proposed public organic record of the converted entity if it will be a filing  
7112 entity;

7113 (e) the full text of the private organic rules of the converted entity that are proposed to

7114 be in a record;  
7115 (f) the other terms and conditions of the conversion; and  
7116 (g) any other provision required by the law of this state or the partnership agreement of  
7117 the converting limited partnership.

7118 (2) In addition to the requirements of Subsection (1), a plan of conversion may contain  
7119 any other provision not prohibited by law.

7120 Section 262. Section **48-2e-1143** is enacted to read:

7121 **48-2e-1143. Approval of conversion.**

7122 (1) A plan of conversion is not effective unless it has been approved:

7123 (a) by a domestic converting limited partnership by all of the partners of the limited  
7124 partnership entitled to vote on or consent to any matter; and

7125 (b) in a record, by each partner of a domestic converting limited partnership that will  
7126 have interest holder liability for debts, obligations, and other liabilities that arise after the  
7127 conversion becomes effective:

7128 (i) the partnership agreement of the limited partnership provides in a record for the  
7129 approval of a conversion or a merger in which some or all of its partners become subject to  
7130 interest holder liability by the vote or consent of fewer than all the interest holders; and

7131 (ii) the partner voted for or consented in a record to that provision of the partnership  
7132 agreement or became a partner after the adoption of that provision.

7133 (2) A conversion involving a domestic converting entity that is not a limited  
7134 partnership is not effective unless it is approved by the domestic converting entity in  
7135 accordance with its organic law.

7136 (3) A conversion of a foreign converting entity is not effective unless it is approved by  
7137 the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

7138 Section 263. Section **48-2e-1144** is enacted to read:

7139 **48-2e-1144. Amendment or abandonment of plan of conversion.**

7140 (1) A plan of conversion of a domestic converting limited partnership may be  
7141 amended:

7142 (a) in the same manner as the plan was approved, if the plan does not provide for the  
7143 manner in which it may be amended; or

7144 (b) by the partners of the limited partnership in the manner provided in the plan, but a  
7145 partner that was entitled to vote on or consent to approval of the conversion is entitled to vote  
7146 on or consent to any amendment of the plan that will change:

7147 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
7148 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
7149 the partners of the converting entity under the plan;

7150 (ii) the public organic record or private organic rules of the converted entity that will be  
7151 in effect immediately after the conversion becomes effective, except for changes that do not  
7152 require approval of the interest holders of the converted entity under its organic law or organic  
7153 rules; or

7154 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
7155 partner in any material respect.

7156 (2) After a plan of conversion has been approved by a domestic converting limited  
7157 partnership and before a statement of conversion becomes effective, the plan may be  
7158 abandoned as provided in the plan. Unless prohibited by the plan, a domestic converting  
7159 limited partnership may abandon the plan in the same manner as the plan was approved.

7160 (3) If a plan of conversion is abandoned after a statement of conversion has been  
7161 delivered to the division for filing and before the statement becomes effective, a statement of  
7162 abandonment, signed by the converting entity, must be delivered to the division for filing  
7163 before the time the statement of conversion becomes effective. The statement of abandonment  
7164 takes effect on filing, and the conversion is abandoned and does not become effective. The  
7165 statement of abandonment must contain:

7166 (a) the name of the converting limited partnership;

7167 (b) the date on which the statement of conversion was delivered to the division for  
7168 filing; and

7169 (c) a statement that the conversion has been abandoned in accordance with this section.

7170 Section 264. Section **48-2e-1145** is enacted to read:

7171 **48-2e-1145. Statement of conversion.**

7172 (1) A statement of conversion must be signed by the converting entity and delivered to  
7173 the division for filing.

7174 (2) A statement of conversion must contain:

7175 (a) the name, jurisdiction of formation, and type of entity of the converting entity;

7176 (b) the name, jurisdiction of formation, and type of entity of the converted entity;

7177 (c) if the converting entity is a domestic entity, a statement that the plan of conversion  
7178 was approved in accordance with Sections 48-2e-1141 through 48-2e-1146 or, if the converting  
7179 entity is a foreign entity, a statement that the conversion was approved by the foreign  
7180 converting entity in accordance with the law of its jurisdiction of formation;

7181 (d) if the converted entity is a domestic filing entity, the text of its public organic  
7182 record, as an attachment;

7183 (e) if the converted entity is a domestic limited liability partnership, the text of its  
7184 statement of qualification, as an attachment; and

7185 (f) if the converted entity is a foreign entity that is not a registered foreign entity, a  
7186 mailing address to which the division may send any process served on the division pursuant to  
7187 Subsection 48-2e-1146(5).

7188 (3) In addition to the requirements of Subsection (2), a statement of conversion may  
7189 contain any other provision not prohibited by law.

7190 (4) If the converted entity is a domestic entity, its public organic record, if any, must  
7191 satisfy the requirements of the law of this state, but the public organic record does not need to  
7192 be signed.

7193 (5) A plan of conversion that is signed by a domestic converting entity and meets all  
7194 the requirements of Subsection (2) may be delivered to the division for filing instead of a  
7195 statement of conversion and on filing has the same effect. If a plan of conversion is filed as  
7196 provided in this Subsection (5), references in this part to a statement of conversion refer to the  
7197 plan of conversion filed under this Subsection (5).

7198 Section 265. Section **48-2e-1146** is enacted to read:

7199 **48-2e-1146. Effect of conversion.**

7200 (1) When a conversion in which the converted entity is a domestic limited partnership  
7201 becomes effective:

7202 (a) the converted entity is:

7203 (i) organized under and subject to this chapter; and

7204 (ii) the same entity without interruption as the converting entity;

7205 (b) all property of the converting entity continues to be vested in the converted entity  
7206 without transfer, reversion, or impairment;

7207 (c) all debts, obligations, and other liabilities of the converting entity continue as debts,  
7208 obligations, and other liabilities of the converted entity;

7209 (d) except as otherwise provided by law or the plan of conversion, all the rights,  
7210 privileges, immunities, powers, and purposes of the converting entity remain in the converted  
7211 entity;

7212 (e) the name of the converted entity may be substituted for the name of the converting  
7213 entity in any pending action or proceeding;

7214 (f) the provisions of the partnership agreement of the converted entity that are to be in a  
7215 record, if any, approved as part of the plan of conversion are effective; and

7216 (g) the interests in the converting entity are converted, and the interest holders of the  
7217 converting entity are entitled only to the rights provided to them under the plan of conversion  
7218 and to any appraisal rights they have under Section 48-2e-1108 and the converting entity's  
7219 organic law.

7220 (2) Except as otherwise provided in the partnership agreement of a domestic converting  
7221 limited partnership, the conversion does not give rise to any rights that a partner or third party  
7222 would have upon a dissolution, liquidation, or winding up of the converting entity.

7223 (3) When a conversion becomes effective, a person that did not have interest holder  
7224 liability with respect to the converting entity and becomes subject to interest holder liability  
7225 with respect to a domestic entity as a result of the conversion has interest holder liability only

7226 to the extent provided by the organic law of the entity and only for those debts, obligations, and  
7227 other liabilities that arise after the conversion becomes effective.

7228 (4) When a conversion becomes effective, the interest holder liability of a person that  
7229 ceases to hold an interest in a domestic limited partnership with respect to which the person  
7230 had interest holder liability is as follows:

7231 (a) The conversion does not discharge any interest holder liability to the extent the  
7232 interest holder liability arose before the conversion became effective.

7233 (b) The person does not have interest holder liability for any debt, obligation, or other  
7234 liability that arises after the conversion becomes effective.

7235 (c) The person has whatever rights of contribution from any other person as are  
7236 provided by law other than this chapter, this chapter, or the partnership agreement of the  
7237 converting entity with respect to any interest holder liability preserved under Subsection (4)(a)  
7238 as if the conversion had not occurred.

7239 (5) When a conversion becomes effective, a foreign entity that is the converted entity  
7240 may be served with process in this state for the collection and enforcement of any of its debts,  
7241 obligations, and other liabilities as provided in Section 16-17-301.

7242 (6) If the converting entity is a registered foreign entity, its registration to do business  
7243 in this state is canceled when the conversion becomes effective.

7244 (7) A conversion does not require the entity to wind up its affairs and does not  
7245 constitute or cause the dissolution of the entity.

7246 Section 266. Section **48-2e-1151** is enacted to read:

7247 **48-2e-1151. Domestication authorized.**

7248 (1) By complying with Sections 48-2e-1151 through 48-2e-1156, a domestic limited  
7249 partnership may become a foreign limited partnership if the domestication is authorized by the  
7250 law of the foreign jurisdiction.

7251 (2) By complying with the provisions of Sections 48-2e-1151 through 48-2e-1156  
7252 applicable to foreign limited partnerships, a foreign limited partnership may become a domestic  
7253 limited partnership if the domestication is authorized by the law of the foreign limited

7254 partnership's jurisdiction of formation.

7255 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
7256 limited partnership but does not refer to a domestication, the provision applies to a  
7257 domestication of the limited partnership as if the domestication were a merger until the  
7258 provision is amended after January 1, 2014.

7259 Section 267. Section **48-2e-1152** is enacted to read:

7260 **48-2e-1152. Plan of domestication.**

7261 (1) A domestic limited partnership may become a foreign limited partnership in a  
7262 domestication by approving a plan of domestication. The plan must be in a record and contain:

7263 (a) the name of the domesticating limited partnership;

7264 (b) the name and jurisdiction of formation of the domesticated limited partnership;

7265 (c) the manner of converting the interests in the domesticating limited partnership into  
7266 interests, securities, obligations, money, other property, rights to acquire interests or securities,  
7267 or any combination of the foregoing;

7268 (d) the proposed certificate of limited partnership of the domesticated limited  
7269 partnership;

7270 (e) the full text of the partnership agreement of the domesticated limited partnership  
7271 rights to acquire interests or securities, that are proposed to be in a record;

7272 (f) the other terms and conditions of the domestication; and

7273 (g) any other provision required by the law of this state or the partnership agreement of  
7274 the domesticating limited partnership.

7275 (2) In addition to the requirements of Subsection (1), a plan of domestication may  
7276 contain any other provision not prohibited by law.

7277 Section 268. Section **48-2e-1153** is enacted to read:

7278 **48-2e-1153. Approval of domestication.**

7279 (1) A plan of domestication of a domestic domesticating limited partnership is not  
7280 effective unless it has been approved:

7281 (a) by all the partners entitled to vote on or consent to any matter; and

7282 (b) in a record, by each partner that will have interest holder liability for debts,  
7283 obligations, and other liabilities that arise after the domestication becomes effective, unless:  
7284 (i) the partnership agreement of the entity in a record provide for the approval of a  
7285 domestication or merger in which some or all of its partners become subject to interest holder  
7286 liability by the vote or consent of fewer than all the partners; and

7287 (ii) the partner voted for or consented in a record to that provision of the partnership  
7288 agreement or became a partner after the adoption of that provision.

7289 (2) A domestication of a foreign domesticating limited partnership is not effective  
7290 unless it is approved in accordance with the law of the foreign limited partnership's jurisdiction  
7291 of formation.

7292 Section 269. Section **48-2e-1154** is enacted to read:

7293 **48-2e-1154. Amendment or abandonment of plan of domestication.**

7294 (1) A plan of domestication of a domestic domesticating limited partnership may be  
7295 amended:

7296 (a) in the same manner as the plan was approved, if the plan does not provide for the  
7297 manner in which it may be amended; or

7298 (b) by the partners of the limited partnership in the manner provided in the plan, but a  
7299 partner that was entitled to vote on or consent to approval of the domestication is entitled to  
7300 vote on or consent to any amendment of the plan that will change:

7301 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
7302 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
7303 the partners of the domesticating limited partnership under the plan;

7304 (ii) the certificate of limited partnership or partnership agreement of the domesticated  
7305 limited partnership that will be in effect immediately after the domestication becomes effective,  
7306 except for changes that do not require approval of the partners of the domesticated limited  
7307 partnership under its organic law or partnership agreement; or

7308 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
7309 partner in any material respect.

7310 (2) After a plan of domestication has been approved by a domestic domesticating  
7311 limited partnership and before a statement of domestication becomes effective, the plan may be  
7312 abandoned as provided in the plan. Unless prohibited by the plan, by a domestic domesticating  
7313 limited partnership may abandon the plan in the same manner as the plan was approved.

7314 (3) If a plan of domestication is abandoned after a statement of domestication has been  
7315 delivered to the division for filing and before the statement becomes effective, a statement of  
7316 abandonment, signed by the limited partnership, must be delivered to the division for filing  
7317 before the time the statement of domestication becomes effective. The statement of  
7318 abandonment takes effect on filing, and the domestication is abandoned and does not become  
7319 effective. The statement of abandonment must contain:

7320 (a) the name of the domesticating limited partnership;

7321 (b) the date on which the statement of domestication was delivered to the division for  
7322 filing; and

7323 (c) a statement that the domestication has been abandoned in accordance with this  
7324 section.

7325 Section 270. Section **48-2e-1155** is enacted to read:

7326 **48-2e-1155. Statement of domestication.**

7327 (1) A statement of domestication must be signed by the domesticating limited  
7328 partnership and delivered to the division for filing.

7329 (2) A statement of domestication must contain:

7330 (a) the name and jurisdiction of formation of the domesticating limited partnership;

7331 (b) the name and jurisdiction of formation of the domesticated limited partnership;

7332 (c) if the domesticating limited partnership is a domestic limited partnership, a  
7333 statement that the plan of domestication was approved in accordance with Sections 48-2e-1151  
7334 through 48-2e-1156 or, if the domesticating limited partnership is a foreign limited partnership,  
7335 a statement that the domestication was approved in accordance with the law of its jurisdiction  
7336 of formation;

7337 (d) the certificate of limited partnership of the domesticated limited partnership, as an

7338 attachment; and

7339 (e) if the domesticated foreign limited partnership is not a registered foreign limited  
7340 partnership, a mailing address to which the division may send any process served on the  
7341 division pursuant to Subsection 48-2e-1156(5).

7342 (3) In addition to the requirements of Subsection (2), a statement of domestication may  
7343 contain any other provision not prohibited by law.

7344 (4) The certificate of limited partnership of a domesticated domestic limited  
7345 partnership must satisfy the requirements of the law of this state, but the certificate does not  
7346 need to be signed.

7347 (5) A plan of domestication that is signed by a domesticating domestic limited  
7348 partnership and meets all of the requirements of Subsection (2) may be delivered to the division  
7349 for filing instead of a statement of domestication and on filing has the same effect. If a plan of  
7350 domestication is filed as provided in this Subsection (5), references in this part to a statement  
7351 of domestication refer to the plan of domestication filed under this Subsection (5).

7352 Section 271. Section **48-2e-1156** is enacted to read:

7353 **48-2e-1156. Effect of domestication.**

7354 (1) When a domestication becomes effective:

7355 (a) the domesticated limited partnership is:

7356 (i) organized under and subject to the organic law of the domesticated limited  
7357 partnership; and

7358 (ii) the same entity without interruption as the domesticating limited partnership;

7359 (b) all property of the domesticating limited partnership continues to be vested in the  
7360 domesticated limited partnership without transfer, reversion, or impairment;

7361 (c) all debts, obligations, and other liabilities of the domesticating limited partnership  
7362 continue as debts, obligations, and other liabilities of the domesticated limited partnership;

7363 (d) except as otherwise provided by law or the plan of domestication, all the rights,  
7364 privileges, immunities, powers, and purposes of the domesticating limited partnership remain  
7365 in the domesticated limited partnership;

7366 (e) the name of the domesticated limited partnership may be substituted for the name of  
7367 the domesticating limited partnership in any pending action or proceeding;

7368 (f) the certificate of limited partnership of the domesticated limited partnership is  
7369 effective;

7370 (g) the provisions of the partnership agreement of the domesticated limited partnership  
7371 that are to be in a record, if any, approved as part of the plan of domestication are effective; and

7372 (h) the interests in the domesticating limited partnership are converted to the extent and  
7373 as approved in connection with the domestication, and the partners of the domesticating limited  
7374 partnership are entitled only to the rights provided to them under the plan of domestication and  
7375 to any appraisal rights they have under Section 48-2e-1108.

7376 (2) Except as otherwise provided in the organic law or partnership agreement of the  
7377 domesticating limited partnership, the domestication does not give rise to any rights that a  
7378 partner or third party would have upon a dissolution, liquidation, or winding up of the  
7379 domesticating limited partnership.

7380 (3) When a domestication becomes effective, a person that did not have interest holder  
7381 liability with respect to the domesticating limited partnership and becomes subject to interest  
7382 holder liability with respect to a domestic limited partnership as a result of the domestication  
7383 has interest holder liability only to the extent provided by the organic law of the domestic  
7384 limited partnership and only for those debts, obligations, and other liabilities that arise after the  
7385 domestication becomes effective.

7386 (4) When a domestication becomes effective, the following rules apply:

7387 (a) The domestication does not discharge any interest holder liability under this chapter  
7388 to the extent the interest holder liability arose before the domestication became effective.

7389 (b) A person does not have interest holder liability under this part for any debt,  
7390 obligation, or other liability that arise after the domestication becomes effective.

7391 (c) A person has whatever rights of contribution from any other person as are provided  
7392 by law other than this chapter, this chapter, or the partnership agreement of a domestic  
7393 domesticating limited partnership with respect to any interest holder liability preserved under

7394 Subsection (4)(a) as if the domestication had not occurred.

7395 (5) When a domestication becomes effective, a foreign limited partnership that is the  
7396 domesticated limited partnership may be served with process in this state for the collection and  
7397 enforcement of any of its debts, obligations, and other liabilities as provided in Section  
7398 16-17-301.

7399 (6) If the domesticating limited partnership is a registered foreign limited partnership,  
7400 the registration of the foreign limited partnership is canceled when the domestication becomes  
7401 effective.

7402 (7) A domestication does not require the limited partnership to wind up its affairs and  
7403 does not constitute or cause the dissolution of the limited partnership.

7404 Section 272. Section **48-2e-1201** is enacted to read:

7405 **Part 12. Miscellaneous Provisions**

7406 **48-2e-1201. Uniformity of application and construction.**

7407 In applying and construing this chapter, consideration must be given to the need to  
7408 promote uniformity of the law with respect to its subject matter among states that enact the  
7409 uniform act upon which this chapter is based.

7410 Section 273. Section **48-2e-1202** is enacted to read:

7411 **48-2e-1202. Severability clause.**

7412 If any provision of this chapter or its application to any person or circumstance is held  
7413 invalid, the invalidity does not affect other provisions or applications of this chapter which can  
7414 be given effect without the invalid provision or application, and to this end the provisions of  
7415 this chapter are severable.

7416 Section 274. Section **48-2e-1203** is enacted to read:

7417 **48-2e-1203. Relation to Electronic Signatures in Global and National Commerce**  
7418 **Act.**

7419 This chapter modifies, limits, and supersedes the Electronic Signatures in Global and  
7420 National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but this chapter does not modify, limit,  
7421 or supersede Sec. 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of

7422 any of the notices described in Sec. 103(b) of that act, 15 U.S.C. Sec. 7003(b).

7423 Section 275. Section **48-2e-1204** is enacted to read:

7424 **48-2e-1204. Savings clause.**

7425 This chapter does not affect an action commenced, proceeding brought, or right accrued  
7426 before this chapter takes effect.

7427 Section 276. Section **48-2e-1205** is enacted to read:

7428 **48-2e-1205. Application to existing relationships.**

7429 (1) Before January 1, 2016, this chapter governs only:

7430 (a) a limited partnership formed on or after January 1, 2014; and

7431 (b) except as otherwise provided in Subsections (3) and (4), a limited partnership  
7432 formed before January 1, 2014, which elects, in the manner provided in its partnership  
7433 agreement or by law for amending the partnership agreement, to be subject to this chapter.

7434 (2) Except as otherwise provided in Subsection (3), on and after January 1, 2016, this  
7435 chapter governs all limited partnerships.

7436 (3) With respect to a limited partnership formed before January 1, 2014, the following  
7437 rules apply except as the partners otherwise elect in the manner provided in the partnership  
7438 agreement or by law for amending the partnership agreement:

7439 (a) Subsection 48-2e-104(3) does not apply and the limited partnership has whatever  
7440 duration it had under the law applicable immediately before January 1, 2014.

7441 (b) Sections 48-2e-601 and 48-2e-602 do not apply and a limited partner has the same  
7442 right and power to dissociate from the limited partnership, with the same consequences, as  
7443 existed immediately before January 1, 2014.

7444 (c) Subsection 48-2e-603(4) does not apply and the partners have the same right and  
7445 power to expel a general partner as existed immediately before January 1, 2014.

7446 (d) Subsection 48-2e-603(5) does not apply and a court has the same power to expel a  
7447 general partner as the court had immediately before January 1, 2014.

7448 (e) Subsection 48-2e-801(1)(c) does not apply and the connection between a person's  
7449 dissociation as a general partner and the dissolution of the limited partnership is the same as

7450 existed immediately before January 1, 2014.

7451 (4) With respect to a limited partnership that elects pursuant to Subsection (1)(b) to be  
7452 subject to this chapter, after the election takes effect the provisions of this chapter relating to  
7453 the liability of the limited partnership's general partners to third parties apply:

7454 (a) before January 1, 2016, to:

7455 (i) a third party that had not done business with the limited partnership in the year  
7456 before the election took effect; and

7457 (ii) a third party that had done business with the limited partnership in the year before  
7458 the election took effect only if the third party knows or has received a notification of the  
7459 election; and

7460 (b) on and after January 1, 2016, to all third parties, but those provisions remain  
7461 inapplicable to any obligation incurred while those provisions were inapplicable under  
7462 Subsection (4)(a)(ii).

7463 Section 277. Section **48-3a-101** is enacted to read:

7464 **CHAPTER 3a. UTAH REVISED UNIFORM LIMITED LIABILITY COMPANY ACT**

7465 **Part 1. General Provisions**

7466 **48-3a-101. Title.**

7467 This chapter may be cited as the "Utah Revised Uniform Limited Liability Company  
7468 Act."

7469 Section 278. Section **48-3a-102** is enacted to read:

7470 **48-3a-102. Definitions.**

7471 As used in this chapter:

7472 (1) "Certificate of organization" means the certificate required by Section 48-3a-201.  
7473 The term includes the certificate as amended or restated.

7474 (2) "Contribution," except in the phrase "right of contribution," means property or a  
7475 benefit described in Section 48-3a-402, which is provided by a person to a limited liability  
7476 company to become a member or in the person's capacity as a member.

7477 (3) "Debtor in bankruptcy" means a person that is the subject of:

7478 (a) an order for relief under Title 11 of the United States Code or a comparable order  
7479 under a successor statute of general application; or

7480 (b) a comparable order under federal, state, or foreign law governing insolvency.

7481 (4) "Distribution" means a transfer of money or other property from a limited liability  
7482 company to a person on account of a transferable interest or in the person's capacity as a  
7483 member. The term:

7484 (a) includes:

7485 (i) a redemption or other purchase by a limited liability company of a transferable  
7486 interest; and

7487 (ii) a transfer to a member in return for the member's relinquishment of any right to  
7488 participate as a member in the management or conduct of the company's activities and affairs  
7489 or to have access to records or other information concerning the company's activities and  
7490 affairs; and

7491 (b) does not include amounts constituting reasonable compensation for present or past  
7492 service or payments made in the ordinary course of business under a bona fide retirement plan  
7493 or other bona fide benefits program.

7494 (5) "Division" means the Division of Corporations and Commercial Code.

7495 (6) "Foreign limited liability company" means an unincorporated entity formed under  
7496 the law of a jurisdiction other than this state, which would be a limited liability company,  
7497 including a low-profit limited liability company, if formed under the law of this state.

7498 (7) "Governing person" means a person, alone or in concert with others, by or under  
7499 whose authority the powers of the limited liability company are exercised and under whose  
7500 direction the activities and affairs of the limited liability company are managed pursuant to this  
7501 chapter and the limited liability company's operating agreement. The term includes:

7502 (a) a manager of a manager-managed limited liability company;

7503 (b) a member of a member-managed limited liability company; and

7504 (c) the chief executive officer of a limited liability company in which officers have  
7505 been appointed, regardless of the actual designated title.

7506 (8) "Jurisdiction," used to refer to a political entity, means the United States, a state, a  
7507 foreign country, or a political subdivision of a foreign country.

7508 (9) "Jurisdiction of formation" means, with respect to an entity, the jurisdiction:

7509 (a) under whose law the entity is formed; or

7510 (b) in the case of a limited liability partnership or foreign limited liability partnership,  
7511 in which the partnership's statement of qualification is filed.

7512 (10) "Limited liability company," except in the phrase "foreign limited liability  
7513 company," means an entity formed under this chapter or which becomes subject to this chapter  
7514 under Part 10, Merger, Interest Exchange, Conversion, and Domestication, or Section  
7515 48-3a-1405.

7516 (11) "Low-profit limited liability company" means a limited liability company meeting  
7517 the requirements of Part 13, Low-Profit Limited Liability Companies.

7518 (12) "Manager" means a person that under the operating agreement of a manager-  
7519 managed limited liability company is responsible, alone or in concert with others, for  
7520 performing the management functions stated in Subsection 48-3a-407(3).

7521 (13) "Manager-managed limited liability company" means a limited liability company  
7522 that qualifies under Subsection 48-3a-407(1).

7523 (14) "Member" means a person that:

7524 (a) has become a member of a limited liability company under Section 48-3a-401 or  
7525 was a member in a company when the company became subject to this chapter under Section  
7526 48-3a-1405; and

7527 (b) has not dissociated under Section 48-3a-602.

7528 (15) "Member-managed limited liability company" means a limited liability company  
7529 that is not a manager-managed limited liability company.

7530 (16) "Operating agreement" means the agreement, whether or not referred to as an  
7531 operating agreement and whether oral, implied, in a record, or in any combination thereof, of  
7532 all the members of a limited liability company, including a sole member, concerning the  
7533 matters described in Subsection 48-3a-112(1). The term includes the agreement as amended or

7534 restated.

7535 (17) "Organizer" means a person that acts under Section 48-3a-201 to form a limited  
7536 liability company.

7537 (18) "Person" means an individual, business corporation, nonprofit corporation,  
7538 partnership, limited partnership, limited liability company, limited cooperative association,  
7539 unincorporated nonprofit association, statutory trust, business trust, common-law business  
7540 trust, estate, trust, association, joint venture, public corporation, government or governmental  
7541 subdivision, agency, or instrumentality, or any other legal or commercial entity.

7542 (19) "Principal office" means the principal executive office of a limited liability  
7543 company or foreign limited liability company, whether or not the office is located in this state.

7544 (20) "Professional services company" means a limited liability company organized in  
7545 accordance with Part 11, Professional Services Companies.

7546 (21) "Property" means all property, whether real, personal, or mixed or tangible or  
7547 intangible, or any right or interest therein.

7548 (22) "Record," used as a noun, means information that is inscribed on a tangible  
7549 medium or that is stored in an electronic or other medium and is retrievable in perceivable  
7550 form.

7551 (23) "Registered agent" means an agent of a limited liability company or foreign  
7552 limited liability company which is authorized to receive service of any process, notice, or  
7553 demand required or permitted by law to be served on the company.

7554 (24) "Registered foreign limited liability company" means a foreign limited liability  
7555 company that is registered to do business in this state pursuant to a statement of registration  
7556 filed by the division.

7557 (25) "Series" means a series created in accordance with Part 12, Series Limited  
7558 Liability Companies.

7559 (26) "Sign" means, with present intent to authenticate or adopt a record:

7560 (a) to execute or adopt a tangible symbol; or

7561 (b) to attach to or logically associate with the record an electronic symbol, sound, or

7562 process.

7563 (27) "State" means a state of the United States, the District of Columbia, Puerto Rico,  
7564 the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction  
7565 of the United States.

7566 (28) "Transfer" includes:

7567 (a) an assignment;

7568 (b) a conveyance;

7569 (c) a sale;

7570 (d) a lease;

7571 (e) an encumbrance, including a mortgage or security interest;

7572 (f) a gift; and

7573 (g) a transfer by operation of law.

7574 (29) "Transferable interest" means the right, as initially owned by a person in the  
7575 person's capacity as a member, to receive distributions from a limited liability company in  
7576 accordance with the operating agreement, whether or not the person remains a member or  
7577 continues to own any part of the right. The term applies to any fraction of the interest by  
7578 whomever owned.

7579 (30) "Transferee" means a person to which all or part of a transferable interest has been  
7580 transferred, whether or not the transferor is a member. The term includes a person that owns a  
7581 transferable interest under Subsection 48-3a-603(1)(c).

7582 (31) "Tribal limited liability company" means a limited liability company that is:

7583 (a) formed under the law of a tribe; and

7584 (b) at least 51% owned or controlled by the tribe under whose law the limited liability  
7585 company is formed.

7586 (32) "Tribe" means a tribe, band, nation, pueblo, or other organized group or  
7587 community of Indians, including an Alaska Native village that is legally recognized as eligible  
7588 for and is consistent with a special program, service, or entitlement provided by the United  
7589 States to Indians because of their status as Indians.

7590 Section 279. Section **48-3a-103** is enacted to read:

7591 **48-3a-103. Knowledge -- Notice.**

7592 (1) A person knows a fact if the person:

7593 (a) has actual knowledge of it; or

7594 (b) is deemed to know it under Subsection (4)(a) or law other than this chapter.

7595 (2) A person has notice of a fact if the person:

7596 (a) has reason to know the fact from all the facts known to the person at the time in

7597 question; or

7598 (b) is deemed to have notice of the fact under Subsection (4)(b).

7599 (3) Subject to Subsection 48-3a-209(6), a person notifies another person of a fact by  
7600 taking steps reasonably required to inform the other person in ordinary course, whether or not  
7601 those steps cause the other person to know the fact.

7602 (4) A person not a member is deemed:

7603 (a) to know of a limitation on authority to transfer real property as provided in

7604 Subsection 48-3a-302(7); and

7605 (b) to have notice of a limited liability company's:

7606 (i) dissolution 90 days after a statement of dissolution under Subsection

7607 48-3a-703(2)(b)(i) becomes effective;

7608 (ii) termination 90 days after a statement of termination under Subsection

7609 48-3a-703(2)(b)(vi) becomes effective;

7610 (iii) participation in a merger, interest exchange, conversion, or domestication 90 days

7611 after a statement of merger, interest exchange, conversion, or domestication under Part 10,

7612 Merger, Interest Exchange, Conversion, and Domestication, becomes effective; and

7613 (iv) abandonment of a merger, interest exchange, conversion, or domestication 90 days

7614 after a statement of abandonment of merger, interest exchange, conversion, or domestication

7615 under Part 10, Merger, Interest Exchange, Conversion, and Domestication, becomes effective.

7616 Section 280. Section **48-3a-104** is enacted to read:

7617 **48-3a-104. Nature, purpose, and duration of limited liability company.**

7618 (1) A limited liability company is an entity distinct from its member or members.

7619 (2) A limited liability company may have any lawful purpose, regardless of whether for  
7620 profit.

7621 (3) A limited liability company has perpetual duration.

7622 Section 281. Section **48-3a-105** is enacted to read:

7623 **48-3a-105. Powers.**

7624 A limited liability company has the capacity to sue and be sued in its own name and the  
7625 power to do all things necessary or convenient to carry on its activities and affairs.

7626 Section 282. Section **48-3a-106** is enacted to read:

7627 **48-3a-106. Governing law.**

7628 The law of this state governs:

7629 (1) the internal affairs of a limited liability company; and

7630 (2) the liability of a member as member and a manager as manager for the debts,  
7631 obligations, or other liabilities of a limited liability company.

7632 Section 283. Section **48-3a-107** is enacted to read:

7633 **48-3a-107. Supplemental principles of law.**

7634 Unless displaced by particular provisions of this chapter, the principles of law and  
7635 equity supplement this chapter.

7636 Section 284. Section **48-3a-108** is enacted to read:

7637 **48-3a-108. Permitted names.**

7638 (1) Except as provided in Section 48-3a-1104 or 48-3a-1302, the name of a limited  
7639 liability company must contain the words "limited liability company" or "limited company" or  
7640 the abbreviation "L.L.C.", "LLC", "L.C.", or "LC". "Limited" may be abbreviated as "Ltd.",  
7641 and "company" may be abbreviated as "Co."

7642 (2) Except as otherwise provided in Subsection (4), the name of a limited liability  
7643 company, and the name under which a foreign limited liability company may register to do  
7644 business in this state, must be distinguishable on the records of the division from:

7645 (a) the name of an existing person whose formation required the filing of a record by

7646 the division;

7647 (b) the name of a limited liability partnership;

7648 (c) the name of a person registered to do business in this state by the filing of a record

7649 by the division;

7650 (d) each name reserved under Section 48-3a-109 or other law of this state providing for

7651 the reservation of a name by the filing of a record by the division;

7652 (e) each name registered under Section 48-3a-110 or other law of this state providing

7653 for the registration of a name by the filing of a record by the division; and

7654 (f) an assumed name registered under Title 42, Chapter 2, Conducting Business Under

7655 Assumed Name.

7656 (3) If a person consents in a record to the use of its name and submits an undertaking in

7657 a form satisfactory to the division to change its name to a name that is distinguishable on the

7658 records of the division from any name in any category of names in Subsection (2), the name of

7659 the consenting person may be used by the person to which the consent was given.

7660 (4) Except as otherwise provided in Subsection (5), in determining whether a name is

7661 the same as or not distinguishable on the records of the division from the name of another

7662 entity, words, phrases, or abbreviations indicating the type of entity, such as "corporation",

7663 "corp.", "incorporated", "Inc.", "professional corporation", "PC", "P.C.", "professional

7664 association", "PA", "P.A.", "Limited", "Ltd.", "limited partnership", "LP", "L.P.", "limited

7665 liability partnership", "LLP", "L.L.P.", "registered limited liability partnership", "RLLP",

7666 "R.L.L.P.", "limited liability limited partnership", "LLL", "L.L.L.P.", "registered limited

7667 liability limited partnership", "RLLL", "R.L.L.L.P.", "limited liability company", "LLC",

7668 "L.L.C.", "professional limited liability company", "PLLC", or "P.L.L.C.", may not be taken

7669 into account.

7670 (5) A person may consent in a record to the use of a name that is not distinguishable on

7671 the records of the division from its name except for the addition of a word, phrase, or

7672 abbreviation indicating the type of person as provided in Subsection (4). In such a case, the

7673 person need not change its name pursuant to Subsection (2).

7674 (6) The division may not approve for filing a name that implies that a limited liability  
7675 company is an agency of this state or any of its political subdivisions, if it is not actually such a  
7676 legally established agency or subdivision.

7677 (7) The authorization to file a certificate under or to reserve or register a limited  
7678 liability company name as granted by the division does not:

7679 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

7680 (b) derogate from the common law, the principles of equity, or the statutes of this state  
7681 or of the United States with respect to the right to acquire and protect names and trademarks; or

7682 (c) create an exclusive right in geographic or generic terms contained within a name.

7683 (8) The name of a limited liability company or foreign limited liability company may  
7684 not contain:

7685 (a) the words:

7686 (i) "association";

7687 (ii) "corporation";

7688 (iii) "incorporated";

7689 (iv) "partnership"; or

7690 (v) "limited partnership";

7691 (b) any word or abbreviation that is of like import to the words listed in Subsection

7692 (8)(a);

7693 (c) without the written consent of the United States Olympic Committee, the words:

7694 (i) "Olympic";

7695 (ii) "Olympiad"; or

7696 (iii) "Citius Altius Fortius"; and

7697 (d) without the written consent of the Division of Consumer Protection issued in

7698 accordance with Section 13-34-114 the words:

7699 (i) "university";

7700 (ii) "college"; or

7701 (iii) "institute" or "institution".

7702 Section 285. Section **48-3a-109** is enacted to read:

7703 **48-3a-109. Reservation of name.**

7704 (1) A person may reserve the exclusive use of a name that complies with Section  
7705 48-3a-108 by delivering an application to the division for filing. The application must state the  
7706 name and address of the applicant and the name to be reserved. If the division finds that the  
7707 name is available, the division shall reserve the name for the applicant's exclusive use for 120  
7708 days.

7709 (2) The owner of a reserved name may transfer the reservation to another person by  
7710 delivering to the division a signed notice in a record of the transfer, which states the name and  
7711 address of the transferee.

7712 Section 286. Section **48-3a-110** is enacted to read:

7713 **48-3a-110. Registration of name.**

7714 (1) A foreign limited liability company not registered to do business in this state under  
7715 Part 9, Foreign Limited Liability Companies, may register its name, or an alternate name  
7716 adopted pursuant to Section 48-3a-906, if the name is distinguishable on the records of the  
7717 division from the names that are not available under Section 48-3a-108.

7718 (2) To register its name or an alternate name adopted pursuant to Section 48-3a-906, a  
7719 foreign limited liability company must deliver to the division for filing an application stating  
7720 the foreign limited liability company's name, the jurisdiction and date of its formation, and any  
7721 alternate name adopted pursuant to Section 48-3a-906. If the division finds that the name  
7722 applied for is available, the division shall register the name for the applicant's exclusive use.

7723 (3) The registration of a name under this section is effective for one year after the date  
7724 of registration.

7725 (4) A foreign limited liability company whose name registration is effective may renew  
7726 the registration for successive one-year periods by delivering, not earlier than three months  
7727 before the expiration of the registration, to the division for filing a renewal application that  
7728 complies with this section. When filed, the renewal application renews the registration for a  
7729 succeeding one-year period.

7730 (5) A foreign limited liability company whose name registration is effective may  
7731 register as a foreign limited liability company under the registered name or consent in a signed  
7732 record to the use of that name by another person that is not an individual.

7733 Section 287. Section **48-3a-111** is enacted to read:

7734 **48-3a-111. Registered agent.**

7735 (1) Each limited liability company and each registered foreign limited liability  
7736 company shall designate in accordance with Subsection 16-17-203(1) and maintain a registered  
7737 agent in this state.

7738 (2) A limited liability company or registered foreign limited liability company may  
7739 change its registered agent or the address of its registered agent by filing with the division a  
7740 statement of change in accordance with Section 16-17-206.

7741 Section 288. Section **48-3a-112** is enacted to read:

7742 **48-3a-112. Operating agreement -- Scope, functions, and limitations.**

7743 (1) Except as otherwise provided in Subsections (3) and (4), the operating agreement  
7744 governs:

7745 (a) relations among the members as members and between the members and the  
7746 limited liability company;

7747 (b) the rights and duties under this chapter of a person in the capacity of manager;

7748 (c) the activities and affairs of the limited liability company and the conduct of those  
7749 activities and affairs; and

7750 (d) the means and conditions for amending the operating agreement.

7751 (2) To the extent the operating agreement does not provide for a matter described in  
7752 Subsection (1), this chapter governs the matter.

7753 (3) An operating agreement may not:

7754 (a) vary a limited liability company's capacity under Section 48-3a-105 to sue and be  
7755 sued in its own name;

7756 (b) vary the law applicable under Section 48-3a-106;

7757 (c) vary any requirement, procedure, or other provision of this chapter pertaining to:

- 7758 (i) registered agents; or
- 7759 (ii) the division, including provisions pertaining to records authorized or required to be  
7760 delivered to the division for filing under this chapter;
- 7761 (d) vary the provisions of Section 48-3a-204;
- 7762 (e) eliminate the duty of loyalty or the duty of care, except as otherwise provided in  
7763 Subsection (4);
- 7764 (f) eliminate the contractual obligation of good faith and fair dealing under Subsection  
7765 48-3a-409(4), but the operating agreement may prescribe the standards, if not unconscionable  
7766 or against public policy, by which the performance of the obligation is to be measured;
- 7767 (g) relieve or exonerate a person from liability for conduct involving bad faith, willful  
7768 misconduct, or recklessness;
- 7769 (h) unreasonably restrict the duties and rights under Section 48-3a-410, but the  
7770 operating agreement may impose reasonable restrictions on the availability and use of  
7771 information obtained under that section and may define appropriate remedies, including  
7772 liquidated damages, for a breach of any reasonable restriction on use;
- 7773 (i) vary the causes of dissolution specified in Subsections 48-3a-701(4)(a) and (5);
- 7774 (j) vary the requirement to wind up the limited liability company's activities and affairs  
7775 as specified in Subsections 48-3a-703(1), (2)(a), and (5);
- 7776 (k) unreasonably restrict the right of a member to maintain an action under Part 8,  
7777 Action By Members;
- 7778 (l) vary the provisions of Section 48-3a-805, but the operating agreement may provide  
7779 that the limited liability company may not have a special litigation committee;
- 7780 (m) vary the right of a member to approve a merger, interest exchange, conversion, or  
7781 domestication under Subsections 48-3a-1023(1)(b), 48-3a-1033(1)(b), 48-3a-1043(1)(b), or  
7782 48-3a-1053(1)(b); or
- 7783 (n) except as otherwise provided in Section 48-3a-113 and Subsection 48-3a-114(2),  
7784 restrict the rights under this chapter of a person other than a member or manager.
- 7785 (4) Subject to Subsection (3)(g), without limiting other terms that may be included in

7786 an operating agreement, the following rules apply:

7787 (a) The operating agreement may specify the method by which a specific act or  
7788 transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one  
7789 or more disinterested and independent persons after full disclosure of all material facts.

7790 (b) To the extent the operating agreement of a member-managed limited liability  
7791 company expressly relieves a member of a responsibility that the member would otherwise  
7792 have under this chapter and imposes the responsibility on one or more other members, the  
7793 operating agreement may, to the benefit of the member that the operating agreement relieves of  
7794 the responsibility, also eliminate or limit any fiduciary duty that would have pertained to the  
7795 responsibility.

7796 (c) If not unconscionable or against public policy, the operating agreement may:

7797 (i) alter or eliminate the aspects of the duty of loyalty stated in Subsections  
7798 48-3a-409(2) and (9);

7799 (ii) identify specific types or categories of activities that do not violate the duty of  
7800 loyalty;

7801 (iii) alter the duty of care, but may not authorize intentional misconduct or knowing  
7802 violation of law; and

7803 (iv) alter or eliminate any other fiduciary duty.

7804 (5) The court shall decide as a matter of law whether a term of an operating agreement  
7805 is unconscionable or against public policy under Subsection (3)(f) or (4)(c). The court:

7806 (a) shall make its determination as of the time the challenged term became part of the  
7807 operating agreement and by considering only circumstances existing at that time; and

7808 (b) may invalidate the term only if, in light of the purposes, activities, and affairs of the  
7809 limited liability company, it is readily apparent that:

7810 (i) the objective of the term is unconscionable or against public policy; or

7811 (ii) the means to achieve the term's objective is unconscionable or against public  
7812 policy.

7813 Section 289. Section **48-3a-113** is enacted to read:

7814           **48-3a-113. Operating agreement -- Effect on limited liability company and person**  
7815 **becoming member -- Preformation agreement.**

7816           (1) A limited liability company is bound by and may enforce the operating agreement,  
7817 whether or not the limited liability company has itself manifested assent to the operating  
7818 agreement.

7819           (2) A person that becomes a member of a limited liability company is deemed to assent  
7820 to the operating agreement.

7821           (3) Two or more persons intending to become the initial members of a limited liability  
7822 company may make an agreement providing that upon the formation of the limited liability  
7823 company the agreement will become the operating agreement. One person intending to  
7824 become the initial member of a limited liability company may assent to terms providing that  
7825 upon the formation of the limited liability company the terms will become the operating  
7826 agreement.

7827           Section 290. Section **48-3a-114** is enacted to read:

7828           **48-3a-114. Operating agreement -- Effect on third parties and relationship to**  
7829 **records effective on behalf of limited liability company.**

7830           (1) An operating agreement may specify that its amendment requires the approval of a  
7831 person that is not a party to the operating agreement or the satisfaction of a condition. An  
7832 amendment is ineffective if its adoption does not include the required approval or satisfy the  
7833 specified condition.

7834           (2) The obligations of a limited liability company and its members to a person in the  
7835 person's capacity as a transferee or a person dissociated as a member are governed by the  
7836 operating agreement. Subject only to a court order issued under Subsection 48-3a-503(2)(b) to  
7837 effectuate a charging order, an amendment to the operating agreement made after a person  
7838 becomes a transferee or is dissociated as a member:

7839           (a) is effective with regard to any debt, obligation, or other liability of the limited  
7840 liability company or its members to the person in the person's capacity as a transferee or person  
7841 dissociated as a member; and

7842 (b) is not effective to the extent the amendment imposes a new debt, obligation, or  
7843 other liability on the transferee or person dissociated as a member.

7844 (3) If a record delivered by a limited liability company to the division for filing  
7845 becomes effective and contains a provision that would be ineffective under Subsection  
7846 48-3a-112(3) or (4)(c) if contained in the operating agreement, the provision is ineffective in  
7847 the record.

7848 (4) Subject to Subsection (3), if a record delivered by a limited liability company to the  
7849 division for filing becomes effective and conflicts with a provision of the operating agreement:

7850 (a) the operating agreement prevails as to members, persons dissociated as members,  
7851 transferees, and managers; and

7852 (b) the record prevails as to other persons to the extent they reasonably rely on the  
7853 record.

7854 Section 291. Section **48-3a-115** is enacted to read:

7855 **48-3a-115. Delivery of record.**

7856 (1) Except as otherwise provided in this chapter, permissible means of delivery of a  
7857 record include delivery by hand, the United States Postal Service, a commercial delivery  
7858 service, and electronic transmission.

7859 (2) Delivery to the division is effective only when a record is received by the division.

7860 Section 292. Section **48-3a-116** is enacted to read:

7861 **48-3a-116. Reservation of power to amend or repeal.**

7862 The Legislature of this state has power to amend or repeal all or part of this chapter at  
7863 any time, and all domestic and foreign limited liability companies subject to this chapter are  
7864 governed by the amendment or repeal.

7865 Section 293. Section **48-3a-201** is enacted to read:

7866 **Part 2. Formation -- Certificate of Organization and Other Filings**

7867 **48-3a-201. Formation of limited liability company -- Certificate of organization.**

7868 (1) One or more persons may act as organizers to form a limited liability company by  
7869 delivering to the division for filing a certificate of organization.

7870 (2) A certificate of organization must state:

7871 (a) the name of the limited liability company, which must comply with Section  
7872 48-3a-108;

7873 (b) the street and mailing address of the limited liability company's principal office;

7874 (c) the information required by Subsection 16-17-203(1);

7875 (d) if the limited liability company is a low-profit limited liability company, a  
7876 statement that the limited liability company is a low-profit limited liability company;

7877 (e) if the limited liability company is a professional services company, the information  
7878 required by Section 48-3a-1103; and

7879 (f) if the limited liability company is to have one or more series in which the liabilities  
7880 of the series are to be limited as contemplated by Subsection 48-3a-1201(2), notice of the  
7881 limitation on liability in accordance with Section 48-3a-1202.

7882 (3) A certificate of organization may contain statements as to matters other than those  
7883 required by Subsection (2), but may not vary or otherwise affect the provisions specified in  
7884 Subsection 48-3a-112(3) in a manner inconsistent with that section. However, a statement in a  
7885 certificate of organization is not effective as a statement of authority.

7886 (4) A limited liability company is formed when the limited liability company's  
7887 certificate of organization becomes effective and at least one person becomes a member.

7888 Section 294. Section **48-3a-202** is enacted to read:

7889 **48-3a-202. Amendment or restatement of certificate of organization.**

7890 (1) A certificate of organization may be amended or restated at any time, except that in  
7891 accordance with Section 48-3a-1303, a low-profit limited liability company shall amend its  
7892 certificate of organization if the limited liability company ceases to be a low-profit limited  
7893 liability company.

7894 (2) To amend its certificate of organization, a limited liability company must deliver to  
7895 the division for filing an amendment stating:

7896 (a) the name of the limited liability company;

7897 (b) the date of filing of its initial certificate of organization; and

7898 (c) the changes the amendment makes to the certificate as most recently amended or  
7899 restated.

7900 (3) To restate its certificate of organization, a limited liability company must deliver to  
7901 the division for filing a restatement designated as such in its heading.

7902 (4) If a member of a member-managed limited liability company, or a manager of a  
7903 manager-managed limited liability company, knows that any information in a filed certificate  
7904 of organization was inaccurate when the certificate was filed or has become inaccurate due to  
7905 changed circumstances, the member or manager shall promptly:

7906 (a) cause the certificate to be amended; or

7907 (b) if appropriate, deliver to the division for filing a statement of change under Section  
7908 16-17-206 or a statement of correction under Section 48-3a-208.

7909 Section 295. Section **48-3a-203** is enacted to read:

7910 **48-3a-203. Signing of records to be delivered for filing to division.**

7911 (1) A record delivered to the division for filing pursuant to this chapter must be signed  
7912 as follows:

7913 (a) Except as otherwise provided in Subsections (1)(b) and (c), a record signed on  
7914 behalf of a limited liability company must be signed by a person authorized by the limited  
7915 liability company.

7916 (b) A limited liability company's initial certificate of organization must be signed by at  
7917 least one person acting as an organizer.

7918 (c) A record delivered on behalf of a dissolved limited liability company that has no  
7919 member must be signed by the person winding up the limited liability company's activities and  
7920 affairs under Subsection 48-3a-703(3) or a person appointed under Subsection 48-3a-703(4) to  
7921 wind up the activities and affairs.

7922 (d) A statement of denial by a person under Section 48-3a-303 must be signed by that  
7923 person.

7924 (e) Any other record delivered on behalf of a person to the division for filing must be  
7925 signed by that person.

7926 (2) Any record filed under this chapter may be signed by an agent. Whenever this  
7927 chapter requires a particular individual to sign a record and the individual is deceased or  
7928 incompetent, the record may be signed by a legal representative of the individual.

7929 (3) A person that signs a record as an agent or legal representative thereby affirms as a  
7930 fact that the person is authorized to sign the record.

7931 Section 296. Section **48-3a-204** is enacted to read:

7932 **48-3a-204. Signing and filing pursuant to judicial order.**

7933 (1) If a person required by this chapter to sign a record or deliver a record to the  
7934 division for filing under this chapter does not do so, any other person that is aggrieved may  
7935 petition the district court to order:

7936 (a) the person to sign the record;

7937 (b) the person to deliver the record to the division for filing; or

7938 (c) the division to file the record unsigned.

7939 (2) If a petitioner under Subsection (1) is not the limited liability company or foreign  
7940 limited liability company to which the record pertains, the petitioner shall make the limited  
7941 liability company or foreign limited liability company a party to the action.

7942 (3) A record filed under Subsection (1)(c) is effective without being signed.

7943 Section 297. Section **48-3a-205** is enacted to read:

7944 **48-3a-205. Filing requirements.**

7945 (1) To be filed by the division pursuant to this chapter, a record must be received by  
7946 the division, comply with this chapter, and satisfy the following:

7947 (a) The filing of the record must be required or permitted by this chapter.

7948 (b) The record must be physically delivered in written form unless and to the extent the  
7949 division permits electronic delivery of records.

7950 (c) The words in the record must be in English, and numbers must be in Arabic or  
7951 Roman numerals, but the name of an entity need not be in English if written in English letters  
7952 or Arabic or Roman numerals.

7953 (d) The record must be signed by a person authorized or required under this chapter to

7954 sign the record.

7955 (e) The record must state the name and capacity, if any, of each individual who signed  
7956 it, either on behalf of the individual or the person authorized or required to sign the record, but  
7957 need not contain a seal, attestation, acknowledgment, or verification.

7958 (2) If law other than this chapter prohibits the disclosure by the division of information  
7959 contained in a record delivered to the division for filing, the division shall accept the record if  
7960 the record otherwise complies with this chapter, but the division may redact the information.

7961 (3) When a record is delivered to the division for filing, any fee required under this  
7962 chapter and any fee, tax, interest, or penalty required to be paid under this chapter or law other  
7963 than this chapter must be paid in a manner permitted by the division or by that law.

7964 (4) The division may require that a record delivered in written form be accompanied by  
7965 an identical or conformed copy.

7966 Section 298. Section **48-3a-206** is enacted to read:

7967 **48-3a-206. Effective time and date.**

7968 Except as otherwise provided in Section 48-3a-207 and subject to Subsection  
7969 48-3a-208(3), a record filed under this chapter is effective:

7970 (1) on the date and at the time of its filing by the division, as provided in Section  
7971 48-3a-209;

7972 (2) on the date of filing and at the time specified in the record as its effective time, if  
7973 later than the time under Subsection (1);

7974 (3) at a specified delayed effective date and time, which may not be more than 90 days  
7975 after the date of filing; or

7976 (4) if a delayed effective date is specified, but no time is specified, at 12:01 a.m. on the  
7977 date specified, which may not be more than 90 days after the date of filing.

7978 Section 299. Section **48-3a-207** is enacted to read:

7979 **48-3a-207. Withdrawal of filed record before effectiveness.**

7980 (1) Except as otherwise provided in Sections 48-3a-1024, 48-3a-1034, 48-3a-1044, and  
7981 48-3a-1054, a record delivered to the division for filing may be withdrawn before it takes effect

7982 by delivering to the division for filing a statement of withdrawal.

7983 (2) A statement of withdrawal must:

7984 (a) be signed by each person that signed the record being withdrawn, except as  
7985 otherwise agreed by those persons;

7986 (b) identify the record to be withdrawn; and

7987 (c) if signed by fewer than all the persons that signed the record being withdrawn, state  
7988 that the record is withdrawn in accordance with the agreement of all the persons that signed the  
7989 record.

7990 (3) On filing by the division of a statement of withdrawal, the action or transaction  
7991 evidenced by the original record does not take effect.

7992 Section 300. Section **48-3a-208** is enacted to read:

7993 **48-3a-208. Correcting filed record.**

7994 (1) A person on whose behalf a filed record was delivered to the division for filing may  
7995 correct the record if:

7996 (a) the record at the time of filing was inaccurate;

7997 (b) the record was defectively signed; or

7998 (c) the electronic transmission of the record to the division was defective.

7999 (2) To correct a filed record, a person on whose behalf the record was delivered to the  
8000 division must deliver to the division for filing a statement of correction.

8001 (3) A statement of correction:

8002 (a) may not state a delayed effective date;

8003 (b) must be signed by the person correcting the filed record;

8004 (c) must identify the filed record to be corrected;

8005 (d) must specify the inaccuracy or defect to be corrected; and

8006 (e) must correct the inaccuracy or defect.

8007 (4) A statement of correction is effective as of the effective date of the filed record that  
8008 it corrects except for purposes of Subsection 48-3a-103(4) and as to persons relying on the  
8009 uncorrected filed record and adversely affected by the correction. For those purposes and as to

8010 those persons, the statement of correction is effective when filed.

8011 Section 301. Section **48-3a-209** is enacted to read:

8012 **48-3a-209. Duty of division to file -- Review of refusal to file -- Transmission of**  
8013 **information by division.**

8014 (1) The division shall file a record delivered to the division for filing which satisfies  
8015 this chapter. The duty of the division under this section is ministerial.

8016 (2) When the division files a record, the division shall record it as filed on the date and  
8017 at the time of its delivery. After filing a record, the division shall deliver to the person that  
8018 submitted the record a copy of the record with an acknowledgment of the date and time of  
8019 filing and, in the case of a statement of denial, also to the limited liability company to which  
8020 the statement pertains.

8021 (3) If the division refuses to file a record, the division shall, not later than 15 business  
8022 days after the record is delivered:

8023 (a) return the record or notify the person that submitted the record of the refusal; and

8024 (b) provide a brief explanation in a record of the reason for the refusal.

8025 (4) If the division refuses to file a record, the person that submitted the record may  
8026 petition the district court to compel filing of the record. The record and the explanation of the  
8027 division of the refusal to file must be attached to the petition. The court may decide the matter  
8028 in a summary proceeding.

8029 (5) The filing of or refusal to file a record does not create a presumption that the  
8030 information contained in the record is correct or incorrect.

8031 (6) Except as otherwise provided by Section 16-17-301 or by law other than this  
8032 chapter, the division may deliver any record to a person by delivering it:

8033 (a) in person to the person that submitted it;

8034 (b) to the address of the person's registered agent;

8035 (c) to the principal office of the person; or

8036 (d) to another address the person provides to the division for delivery.

8037 Section 302. Section **48-3a-210** is enacted to read:

8038 **48-3a-210. Liability for inaccurate information in filed record.**

8039 (1) If a record delivered to the division for filing under this chapter and filed by the  
8040 division contains inaccurate information, a person that suffers loss by reliance on the  
8041 information may recover damages for the loss from:

8042 (a) a person that signed the record, or caused another to sign it on the person's behalf,  
8043 and knew the information to be inaccurate at the time the record was signed; and

8044 (b) subject to Subsection (2), a member of a member-managed limited liability  
8045 company or the manager of a manager-managed limited liability company, if:

8046 (i) the record was delivered for filing on behalf of the limited liability company; and

8047 (ii) the member or manager had notice of the inaccuracy for a reasonably sufficient  
8048 time before the information was relied upon so that, before the reliance, the member or  
8049 manager reasonably could have:

8050 (A) effected an amendment under Section 48-3a-202;

8051 (B) filed a petition under Section 48-3a-204; or

8052 (C) delivered to the division for filing a statement of change under Section 16-17-206  
8053 or a statement of correction under Section 48-3a-208.

8054 (2) To the extent that the operating agreement of a member-managed limited liability  
8055 company expressly relieves a member of responsibility for maintaining the accuracy of  
8056 information contained in records delivered on behalf of the limited liability company to the  
8057 division for filing under this chapter and imposes that responsibility on one or more other  
8058 members, the liability stated in Subsection (1)(b) applies to those other members and not to the  
8059 member that the operating agreement relieves of the responsibility.

8060 (3) An individual who signs a record authorized or required to be filed under this  
8061 chapter affirms under penalty of perjury that the information stated in the record is accurate.

8062 Section 303. Section **48-3a-211** is enacted to read:

8063 **48-3a-211. Certificate of good standing or registration.**

8064 (1) On request of any person, the division shall issue a certificate of good standing for a  
8065 limited liability company or a certificate of registration for a registered foreign limited liability

8066 company.  
8067 (2) A certificate under Subsection (1) must state:  
8068 (a) the limited liability company's name or the registered foreign limited liability  
8069 company's name used in this state;  
8070 (b) in the case of a limited liability company:  
8071 (i) that a certificate of organization has been filed and has taken effect;  
8072 (ii) the date the certificate of organization became effective;  
8073 (iii) the period of the limited liability company's duration if the records of the division  
8074 reflect that its period of duration is less than perpetual; and  
8075 (iv) that:  
8076 (A) no statement of dissolution, statement of administrative dissolution, or statement of  
8077 termination has been filed;  
8078 (B) the records of the division do not otherwise reflect that the company has been  
8079 dissolved or terminated; and  
8080 (C) a proceeding is not pending under Section 48-3a-708;  
8081 (c) in the case of a registered foreign limited liability company, that it is registered to  
8082 do business in this state;  
8083 (d) that all fees, taxes, interest, and penalties owed to this state by the limited liability  
8084 company or foreign limited liability company and collected through the division have been  
8085 paid, if:  
8086 (i) payment is reflected in the records of the division; and  
8087 (ii) nonpayment affects the good standing or registration of the limited liability  
8088 company or foreign limited liability company;  
8089 (e) that the most recent annual report required by Section 48-3a-212 has been delivered  
8090 to the division for filing; and  
8091 (f) other facts reflected in the records of the division pertaining to the limited liability  
8092 company or foreign limited liability company which the person requesting the certificate  
8093 reasonably requests.

8094 (3) Subject to any qualification stated in the certificate, a certificate issued by the  
8095 division under Subsection (1) may be relied upon as conclusive evidence of the facts stated in  
8096 the certificate.

8097 Section 304. Section **48-3a-212** is enacted to read:

8098 **48-3a-212. Annual report for division.**

8099 (1) A limited liability company or a registered foreign limited liability company shall  
8100 deliver to the division for filing an annual report that states:

8101 (a) the name of the limited liability company or registered foreign limited liability  
8102 company;

8103 (b) the information required by Subsection 16-17-203(1);

8104 (c) the street and mailing addresses of its principal office;

8105 (d) the name of at least one governing person; and

8106 (e) in the case of a foreign limited liability company, its jurisdiction of formation and  
8107 any alternate name adopted under Subsection 48-3a-906(1).

8108 (2) Information in the annual report must be current as of the date the report is signed  
8109 by the limited liability company or registered foreign limited liability company.

8110 (3) A report must be delivered to the division for each year following the calendar year  
8111 in which the limited liability company's certificate of organization became effective or the  
8112 registered foreign limited liability company registered to do business in this state:

8113 (a) in the case of a limited liability company, the annual report must be delivered to the  
8114 division during the month in which is the anniversary date on which the limited liability  
8115 company's certificate of formation became effective; and

8116 (b) in the case of a registered foreign limited liability company, the annual report must  
8117 be delivered to the division during the month in which is the anniversary date on which the  
8118 registered foreign limited liability company registered to do business in this state.

8119 (4) If an annual report does not contain the information required by this section, the  
8120 division promptly shall notify the reporting limited liability company or registered foreign  
8121 limited liability company in a record and return the report for correction.

8122 (5) If an annual report contains the name or address of a registered agent which differs  
8123 from the information shown in the records of the division immediately before the annual report  
8124 becomes effective, the differing information in the annual report is considered a statement of  
8125 change under Section 16-17-206.

8126 Section 305. Section **48-3a-301** is enacted to read:

8127 **Part 3. Relations of Members and Managers to Persons Dealing with**  
8128 **Limited Liability Company**

8129 **48-3a-301. No agency powers of member as member.**

8130 (1) A member is not an agent of a limited liability company solely by reason of being a  
8131 member.

8132 (2) A person's status as a member does not prevent or restrict law other than this  
8133 chapter from imposing liability on a limited liability company because of the person's conduct.

8134 Section 306. Section **48-3a-302** is enacted to read:

8135 **48-3a-302. Statement of authority.**

8136 (1) A limited liability company may deliver to the division for filing a statement of  
8137 authority. The statement:

8138 (a) must include the name of the limited liability company and the street and mailing  
8139 addresses of its registered agent;

8140 (b) with respect to any position that exists in or with respect to the limited liability  
8141 company, may state the authority, or limitations on the authority, of all persons holding the  
8142 position to:

8143 (i) execute an instrument transferring real property held in the name of the limited  
8144 liability company; or

8145 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the limited  
8146 liability company; and

8147 (c) may state the authority, or limitations on the authority, of a specific person to:

8148 (i) execute an instrument transferring real property held in the name of the limited  
8149 liability company; or

8150 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the limited  
8151 liability company.

8152 (2) To amend or cancel a statement of authority filed by the division, a limited liability  
8153 company must deliver to the division for filing an amendment or cancellation stating:

8154 (a) the name of the limited liability company;

8155 (b) the street and mailing addresses of the limited liability company's registered agent;

8156 (c) the date the statement being affected became effective; and

8157 (d) the contents of the amendment or a declaration that the statement is canceled.

8158 (3) A statement of authority affects only the power of a person to bind a limited  
8159 liability company to persons that are not members.

8160 (4) Subject to Subsection (3) and Subsection 48-3a-103(4), and except as otherwise  
8161 provided in Subsections (6), (7), and (8), a limitation on the authority of a person or a position  
8162 contained in an effective statement of authority is not by itself evidence of knowledge or notice  
8163 of the limitation by any person.

8164 (5) Subject to Subsection (3), a grant of authority not pertaining to transfers of real  
8165 property and contained in an effective statement of authority is conclusive in favor of a person  
8166 that gives value in reliance on the grant, except to the extent that when the person gives value:

8167 (a) the person has knowledge to the contrary;

8168 (b) the statement of authority has been canceled or restrictively amended under  
8169 Subsection (2); or

8170 (c) a limitation on the grant is contained in another statement of authority that became  
8171 effective after the statement of authority containing the grant became effective.

8172 (6) Subject to Subsection (3), an effective statement of authority that grants authority to  
8173 transfer real property held in the name of the limited liability company and a certified copy of  
8174 which is recorded in the office for recording transfers of the real property is conclusive in favor  
8175 of a person that gives value in reliance on the grant without knowledge to the contrary, except  
8176 to the extent that when the person gives value:

8177 (a) the statement of authority has been canceled or restrictively amended under

8178 Subsection (2), and a certified copy of the cancellation or restrictive amendment has been  
8179 recorded in the office for recording transfers of the real property; or

8180 (b) a limitation on the grant is contained in another statement of authority that became  
8181 effective after the statement of authority containing the grant became effective, and a certified  
8182 copy of the later-effective statement of authority is recorded in the office for recording transfers  
8183 of the real property.

8184 (7) Subject to Subsection (3), if a certified copy of an effective statement of authority  
8185 containing a limitation on the authority to transfer real property held in the name of a limited  
8186 liability company is recorded in the office for recording transfers of that real property, all  
8187 persons are deemed to know of the limitation.

8188 (8) Subject to Subsection (9), an effective statement of dissolution or termination is a  
8189 cancellation of any filed statement of authority for the purposes of Subsection (6) and is a  
8190 limitation on authority for the purposes of Subsection (7).

8191 (9) After a statement of dissolution becomes effective, a limited liability company may  
8192 deliver to the division for filing and, if appropriate, may record a statement of authority that is  
8193 designated as a postdissolution statement of authority. The postdissolution statement of  
8194 authority operates as provided in Subsections (6) and (7).

8195 (10) Unless earlier canceled, an effective statement of authority is canceled by  
8196 operation of law five years after the date on which the statement of authority, or its most recent  
8197 amendment, becomes effective. This cancellation operates without need for any recording  
8198 under Subsection (6) or (7).

8199 (11) An effective statement of denial operates as a restrictive amendment under this  
8200 section and may be recorded by certified copy for purposes of Subsection (6)(a).

8201 Section 307. Section **48-3a-303** is enacted to read:

8202 **48-3a-303. Statement of denial.**

8203 A person named in a filed statement of authority granting that person authority may  
8204 deliver to the division for filing a statement of denial that:

8205 (1) provides the name of the limited liability company and the caption of the statement

8206 of authority to which the statement of denial pertains; and

8207 (2) denies the grant of authority.

8208 Section 308. Section **48-3a-304** is enacted to read:

8209 **48-3a-304. Liability of members and managers.**

8210 (1) A debt, obligation, or other liability of a limited liability company is solely the debt,  
8211 obligation, or other liability of the limited liability company. A member or manager is not  
8212 personally liable, directly or indirectly, by way of contribution or otherwise, for a debt,  
8213 obligation, or other liability of the limited liability company solely by reason of being or acting  
8214 as a member or manager. This Subsection (1) applies regardless of the dissolution of the  
8215 limited liability company.

8216 (2) The failure of a limited liability company to observe formalities relating to the  
8217 exercise of its powers or management of its activities and affairs is not a ground for imposing  
8218 liability on a member or manager of the limited liability company for a debt, obligation, or  
8219 other liability of the limited liability company.

8220 Section 309. Section **48-3a-401** is enacted to read:

8221 **Part 4. Relations of Members to Each Other and to Limited Liability Company**

8222 **48-3a-401. Becoming a member.**

8223 (1) If a limited liability company is to have only one member upon formation, the  
8224 person becomes a member as agreed by that person and the organizer of the limited liability  
8225 company. That person and the organizer may be, but need not be, different persons. If  
8226 different, the organizer acts on behalf of the initial member.

8227 (2) If a limited liability company is to have more than one member upon formation,  
8228 those persons become members as agreed by the persons before the formation of the limited  
8229 liability company. The organizer acts on behalf of the persons in forming the limited liability  
8230 company and may be, but need not be, one of the persons.

8231 (3) After formation of a limited liability company, a person becomes a member:

8232 (a) as provided in the operating agreement;

8233 (b) as the result of a transaction effective under Part 10, Merger, Interest Exchange,

8234 Conversion, and Domestication:

8235 (c) with the consent of all the members; or

8236 (d) as provided in Subsection 48-3a-701(3).

8237 (4) A person may become a member without:

8238 (a) acquiring a transferable interest; or

8239 (b) making or being obligated to make a contribution to the limited liability company.

8240 Section 310. Section **48-3a-402** is enacted to read:

8241 **48-3a-402. Form of contribution.**

8242 A contribution may consist of property transferred to, services performed for, or another

8243 benefit provided to the limited liability company or an agreement to transfer property to,

8244 perform services for, or provide another benefit to the company.

8245 Section 311. Section **48-3a-403** is enacted to read:

8246 **48-3a-403. Liability for contributions.**

8247 (1) A person's obligation to make a contribution to a limited liability company is not

8248 excused by the person's death, disability, or other inability to perform personally.

8249 (2) If a person does not fulfill an obligation to make a contribution other than money,

8250 the person is obligated at the option of the limited liability company to contribute money equal

8251 to the value of the part of the contribution which has not been made.

8252 (3) The obligation of a person to make a contribution may be compromised only by

8253 consent of all members. If a creditor of a limited liability company extends credit or otherwise

8254 acts in reliance on an obligation described in Subsection (1) without notice of a compromise

8255 under this Subsection (3), the creditor may enforce the obligation.

8256 Section 312. Section **48-3a-404** is enacted to read:

8257 **48-3a-404. Sharing of and right to distributions before dissolution.**

8258 (1) Any distributions made by a limited liability company before its dissolution and

8259 winding up must be in equal shares among members and persons dissociated as members,

8260 except to the extent necessary to comply with a transfer effective under Section 48-3a-502 or

8261 charging order in effect under Section 48-3a-503.

8262 (2) A person has a right to a distribution before the dissolution and winding up of a  
8263 limited liability company only if the limited liability company decides to make an interim  
8264 distribution. A person's dissociation does not entitle the person to a distribution.

8265 (3) A person does not have a right to demand or receive a distribution from a limited  
8266 liability company in any form other than money. Except as otherwise provided in Subsection  
8267 48-3a-711(4), a limited liability company may distribute an asset in kind only if each part of the  
8268 asset is fungible with each other part and each person receives a percentage of the asset equal  
8269 in value to the person's share of distributions.

8270 (4) If a member or transferee becomes entitled to receive a distribution, the member or  
8271 transferee has the status of, and is entitled to all remedies available to, a creditor of the limited  
8272 liability company with respect to the distribution. However, the limited liability company's  
8273 obligation to make a distribution is subject to offset for any amount owed to the limited  
8274 liability company by the member or a person dissociated as a member on whose account the  
8275 distribution is made.

8276 Section 313. Section **48-3a-405** is enacted to read:

8277 **48-3a-405. Limitation on distributions.**

8278 (1) A limited liability company may not make a distribution, including a distribution  
8279 under Section 48-3a-711, if after the distribution:

8280 (a) the limited liability company would not be able to pay its debts as they become due  
8281 in the ordinary course of the limited liability company's activities and affairs; or

8282 (b) the limited liability company's total assets would be less than the sum of its total  
8283 liabilities plus, unless the operating agreement permits otherwise, the amount that would be  
8284 needed, if the limited liability company were to be dissolved and wound up at the time of the  
8285 distribution, to satisfy the preferential rights upon dissolution and winding up of members and  
8286 transferees whose preferential rights are superior to those of persons receiving the distribution.

8287 (2) A limited liability company may base a determination that a distribution is not  
8288 prohibited under Subsection (1) on:

8289 (a) financial statements prepared on the basis of accounting practices and principles

8290 that are reasonable in the circumstances; or  
8291 (b) a fair valuation or other method that is reasonable under the circumstances.  
8292 (3) Except as otherwise provided in Subsection (5), the effect of a distribution under  
8293 Subsection (1) is measured:  
8294 (a) in the case of a distribution as defined in Subsection 48-3a-102(4)(a), as of the  
8295 earlier of:  
8296 (i) the date money or other property is transferred or debt is incurred by the limited  
8297 liability company; or  
8298 (ii) the date the person entitled to the distribution ceases to own the interest or right  
8299 being acquired by the limited liability company in return for the distribution;  
8300 (b) in the case of any other distribution of indebtedness, as of the date the indebtedness  
8301 is distributed; and  
8302 (c) in all other cases, as of the date:  
8303 (i) the distribution is authorized, if the payment occurs not later than 120 days after that  
8304 date; or  
8305 (ii) the payment is made, if the payment occurs more than 120 days after the  
8306 distribution is authorized.  
8307 (4) A limited liability company's indebtedness to a member or transferee incurred by  
8308 reason of a distribution made in accordance with this section is at parity with the limited  
8309 liability company's indebtedness to its general, unsecured creditors, except to the extent  
8310 subordinated by agreement.  
8311 (5) A limited liability company's indebtedness, including indebtedness issued as a  
8312 distribution, is not a liability for purposes of Subsection (1) if the terms of the indebtedness  
8313 provide that payment of principal and interest is made only if and to the extent that payment of  
8314 a distribution could then be made under this section. If the indebtedness is issued as a  
8315 distribution, each payment of principal or interest is treated as a distribution, the effect of  
8316 which is measured on the date the payment is made.  
8317 (6) In measuring the effect of a distribution under Section 48-3a-711, the liabilities of a

8318 dissolved limited liability company do not include any claim that has been disposed of under  
8319 Section 48-3a-705, 48-3a-706, or 48-3a-707.

8320 Section 314. Section **48-3a-406** is enacted to read:

8321 **48-3a-406. Liability for improper distributions.**

8322 (1) Except as otherwise provided in Subsection (2), if a member of a member-managed  
8323 limited liability company or manager of a manager-managed limited liability company consents  
8324 to a distribution made in violation of Section 48-3a-405 and in consenting to the distribution  
8325 fails to comply with Section 48-3a-409, the member or manager is personally liable to the  
8326 limited liability company for the amount of the distribution which exceeds the amount that  
8327 could have been distributed without the violation of Section 48-3a-405.

8328 (2) To the extent the operating agreement of a member-managed limited liability  
8329 company expressly relieves a member of the authority and responsibility to consent to  
8330 distributions and imposes that authority and responsibility on one or more other members, the  
8331 liability stated in Subsection (1) applies to the other members and not the member that the  
8332 operating agreement relieves of authority and responsibility.

8333 (3) A person that receives a distribution knowing that the distribution violated Section  
8334 48-3a-405 is personally liable to the limited liability company but only to the extent that the  
8335 distribution received by the person exceeded the amount that could have been properly paid  
8336 under Section 48-3a-405.

8337 (4) A person against which an action is commenced because the person is liable under  
8338 Subsection (1) may:

8339 (a) implead any other person that is liable under Subsection (1) and seek to enforce a  
8340 right of contribution from the person; and

8341 (b) implead any person that received a distribution in violation of Subsection (3) and  
8342 seek to enforce a right of contribution from the person in the amount the person received in  
8343 violation of Subsection (3).

8344 (5) An action under this section is barred unless commenced not later than two years  
8345 after the distribution.

8346 Section 315. Section **48-3a-407** is enacted to read:

8347 **48-3a-407. Management of limited liability company.**

8348 (1) A limited liability company is a member-managed limited liability company unless  
8349 the operating agreement:

8350 (a) expressly provides that:

8351 (i) the limited liability company is or will be "manager-managed";

8352 (ii) the limited liability company is or will be "managed by managers"; or

8353 (iii) management of the limited liability company is or will be "vested in managers"; or

8354 (b) includes words of similar import.

8355 (2) In a member-managed limited liability company, the following rules apply:

8356 (a) Except as otherwise provided in this chapter, the management and conduct of the  
8357 limited liability company are vested in the members.

8358 (b) Each member has equal rights in the management and conduct of the limited  
8359 liability company's activities and affairs.

8360 (c) A difference arising among members as to a matter in the ordinary course of the  
8361 activities of the limited liability company shall be decided by a majority of the members.

8362 (d) An act outside the ordinary course of the activities and affairs of the limited liability  
8363 company may be undertaken only with the affirmative vote or consent of all members.

8364 (e) The affirmative vote or consent of all members is required to approve a transaction  
8365 under Part 10, Merger, Interest Exchange, Conversion, and Domestication.

8366 (f) The operating agreement may be amended only with the affirmative vote or consent  
8367 of all members.

8368 (3) In a manager-managed limited liability company, the following rules apply:

8369 (a) Except as expressly provided in this chapter, any matter relating to the activities and  
8370 affairs of the limited liability company is decided exclusively by the manager, or, if there is  
8371 more than one manager, by a majority of the managers.

8372 (b) Each manager has equal rights in the management and conduct of the limited  
8373 liability company's activities and affairs.

- 8374 (c) The affirmative vote or consent of all members is required to:  
8375 (i) approve a transaction under Part 10, Merger, Interest Exchange, Conversion, and  
8376 Domestication;  
8377 (ii) undertake any act outside the ordinary course of the limited liability company's  
8378 activities and affairs; or  
8379 (iii) amend the operating agreement.
- 8380 (d) A manager may be chosen at any time by the consent of a majority of the members  
8381 and remains a manager until a successor has been chosen, unless the manager at an earlier time  
8382 resigns, is removed, or dies, or, in the case of a manager that is not an individual, terminates.  
8383 A manager may be removed at any time by the consent of a majority of the members without  
8384 notice or cause.
- 8385 (e) A person need not be a member to be a manager, but the dissociation of a member  
8386 that is also a manager removes the person as a manager. If a person that is both a manager and  
8387 a member ceases to be a manager, that cessation does not by itself dissociate the person as a  
8388 member.
- 8389 (f) A person's ceasing to be a manager does not discharge any debt, obligation, or other  
8390 liability to the limited liability company or members which the person incurred while a  
8391 manager.
- 8392 (4) An action requiring the vote or consent of members under this chapter may be taken  
8393 without a meeting, and a member may appoint a proxy or other agent to vote, consent, or  
8394 otherwise act for the member by signing an appointing record, personally or by the member's  
8395 agent.
- 8396 (5) The dissolution of a limited liability company does not affect the applicability of  
8397 this section. However, a person that wrongfully causes dissolution of the limited liability  
8398 company loses the right to participate in management as a member and a manager.
- 8399 (6) A limited liability company shall reimburse a member for an advance to the limited  
8400 liability company beyond the amount of capital the member agreed to contribute.
- 8401 (7) A payment or advance made by a member which gives rise to an obligation of the

8402 limited liability company under Subsection (6) or Subsection 48-3a-408(1) constitutes a loan to  
8403 the limited liability company which accrues interest from the date of the payment or advance.

8404 (8) A member is not entitled to remuneration for services performed for a  
8405 member-managed limited liability company, except for reasonable compensation for services  
8406 rendered in winding up the activities of the limited liability company.

8407 Section 316. Section **48-3a-408** is enacted to read:

8408 **48-3a-408. Reimbursement, indemnification, advancement, and insurance.**

8409 (1) A limited liability company shall reimburse a member of a member-managed  
8410 limited liability company or the manager of a manager-managed limited liability company for  
8411 any payment made by the member or manager in the course of the member's or manager's  
8412 activities on behalf of the limited liability company, if the member or manager complied with  
8413 Sections 48-3a-407 and 48-3a-409 in making the payment.

8414 (2) A limited liability company shall indemnify and hold harmless a person with  
8415 respect to any claim or demand against the person and any debt, obligation, or other liability  
8416 incurred by the person by reason of the person's former or present capacity as a member or  
8417 manager, if the claim, demand, debt, obligation, or other liability does not arise from the  
8418 person's breach of Section 48-3a-405, 48-3a-407, or 48-3a-409.

8419 (3) In the ordinary course of its activities and affairs, a limited liability company may  
8420 advance reasonable expenses, including attorney's fees and costs, incurred by a person in  
8421 connection with a claim or demand against the person by reason of the person's former or  
8422 present capacity as a member or manager, if the person promises to repay the limited liability  
8423 company if the person ultimately is determined not to be entitled to be indemnified under  
8424 Subsection (2).

8425 (4) A limited liability company may purchase and maintain insurance on behalf of a  
8426 member or manager of the limited liability company against liability asserted against or  
8427 incurred by the member or manager in that capacity or arising from that status even if, under  
8428 Subsection 48-3a-112(3)(g), the operating agreement could not eliminate or limit the person's  
8429 liability to the limited liability company for the conduct giving rise to the liability.

8430 Section 317. Section **48-3a-409** is enacted to read:

8431 **48-3a-409. Standards of conduct for members and managers.**

8432 (1) A member of a member-managed limited liability company owes to the limited  
8433 liability company and, subject to Subsection 48-3a-801(1), the other members the duties of  
8434 loyalty and care stated in Subsections (2) and (3).

8435 (2) The duty of loyalty of a member in a member-managed limited liability company  
8436 includes the duties:

8437 (a) to account to the limited liability company and to hold as trustee for it any property,  
8438 profit, or benefit derived by the member:

8439 (i) in the conduct or winding up of the limited liability company's activities and affairs;

8440 (ii) from a use by the member of the limited liability company's property; or

8441 (iii) from the appropriation of a limited liability company opportunity;

8442 (b) to refrain from dealing with the limited liability company in the conduct or winding  
8443 up of the limited liability company's activities and affairs as or on behalf of a person having an  
8444 interest adverse to the limited liability company; and

8445 (c) to refrain from competing with the limited liability company in the conduct of the  
8446 company's activities and affairs before the dissolution of the limited liability company.

8447 (3) The duty of care of a member of a member-managed limited liability company in  
8448 the conduct or winding up of the limited liability company's activities and affairs is to refrain  
8449 from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing  
8450 violation of law.

8451 (4) A member shall discharge the duties and obligations under this chapter or under the  
8452 operating agreement and exercise any rights consistently with the contractual obligation of  
8453 good faith and fair dealing.

8454 (5) A member does not violate a duty or obligation under this chapter or under the  
8455 operating agreement solely because the member's conduct furthers the member's own interest.

8456 (6) All the members of a member-managed limited liability company or a  
8457 manager-managed limited liability company may authorize or ratify, after full disclosure of all

8458 material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

8459 (7) It is a defense to a claim under Subsection (2)(b) and any comparable claim in  
8460 equity or at common law that the transaction was fair to the limited liability company.

8461 (8) If, as permitted by Subsection (6) or (9)(f) or the operating agreement, a member  
8462 enters into a transaction with the limited liability company which otherwise would be  
8463 prohibited by Subsection (2)(b), the member's rights and obligations arising from the  
8464 transaction are the same as those of a person that is not a member.

8465 (9) In a manager-managed limited liability company, the following rules apply:

8466 (a) Subsections (1), (2), (3), and (7) apply to the manager or managers and not the  
8467 members.

8468 (b) The duty stated under Subsection (2)(c) continues until winding up is completed.

8469 (c) Subsection (4) applies to managers and members.

8470 (d) Subsection (5) applies only to members.

8471 (e) The power to ratify under Subsection (6) applies only to the members.

8472 (f) Subject to Subsection (4), a member does not have any duty to the limited liability  
8473 company or to any other member solely by reason of being a member.

8474 Section 318. Section **48-3a-410** is enacted to read:

8475 **48-3a-410. Rights of member, manager, and person dissociated as member to**  
8476 **information.**

8477 (1) In a member-managed limited liability company, the following rules apply:

8478 (a) On reasonable notice, a member may inspect and copy during regular business  
8479 hours, at a reasonable location specified by the limited liability company, any record  
8480 maintained by the limited liability company regarding the limited liability company's activities,  
8481 affairs, financial condition, and other circumstances, to the extent the information is material to  
8482 the member's rights and duties under the operating agreement or this chapter.

8483 (b) The limited liability company shall furnish to each member:

8484 (i) without demand, any information concerning the limited liability company's  
8485 activities, affairs, financial condition, and other circumstances which the limited liability

8486 company knows and is material to the proper exercise of the member's rights and duties under  
8487 the operating agreement or this chapter, except to the extent the limited liability company can  
8488 establish that it reasonably believes the member already knows the information; and  
8489 (ii) on demand, any other information concerning the limited liability company's  
8490 activities, affairs, financial condition, and other circumstances, except to the extent the demand  
8491 or information demanded is unreasonable or otherwise improper under the circumstances.  
8492 (c) The duty to furnish information under Subsection (1)(b) also applies to each  
8493 member to the extent the member knows any of the information described in Subsection (1)(b).  
8494 (2) In a manager-managed limited liability company, the following rules apply:  
8495 (a) The informational rights stated in Subsection (1) and the duty stated in Subsection  
8496 (1)(c) apply to the managers and not the members.  
8497 (b) During regular business hours and at a reasonable location specified by the limited  
8498 liability company, a member may inspect and copy full information regarding the activities,  
8499 affairs, financial condition, and other circumstances of the limited liability company as is just  
8500 and reasonable if:  
8501 (i) the member seeks the information for a purpose reasonably related to the member's  
8502 interest as a member;  
8503 (ii) the member makes a demand in a record received by the limited liability company,  
8504 describing with reasonable particularity the information sought and the purpose for seeking the  
8505 information; and  
8506 (iii) the information sought is directly connected to the member's purpose.  
8507 (c) Not later than 10 days after receiving a demand pursuant to Subsection (2)(b)(ii),  
8508 the limited liability company shall in a record inform the member that made the demand of:  
8509 (i) the information that the limited liability company will provide in response to the  
8510 demand and when and where the limited liability company will provide the information; and  
8511 (ii) the limited liability company's reasons for declining, if the limited liability  
8512 company declines to provide any demanded information.  
8513 (d) Whenever this chapter or an operating agreement provides for a member to give or

8514 withhold consent to a matter, before the consent is given or withheld, the limited liability  
8515 company shall, without demand, provide the member with all information that is known to the  
8516 limited liability company and is material to the member's decision.

8517 (3) Subject to Subsection (9), on 10 days' demand made in a record received by a  
8518 limited liability company, a person dissociated as a member may have access to information to  
8519 which the person was entitled while a member if:

8520 (a) the information pertains to the period during which the person was a member;

8521 (b) the person seeks the information in good faith; and

8522 (c) the person satisfies the requirements imposed on a member by Subsection (2)(b).

8523 (4) A limited liability company shall respond to a demand made pursuant to Subsection  
8524 (3) in the manner provided in Subsection (2)(c).

8525 (5) A limited liability company may charge a person that makes a demand under this  
8526 section the reasonable costs of copying, limited to the costs of labor and material.

8527 (6) A member or person dissociated as a member may exercise rights under this section  
8528 through an agent or, in the case of an individual under legal disability, a legal representative.

8529 Any restriction or condition imposed by the operating agreement or under Subsection (9)  
8530 applies both to the agent or legal representative and the member or person dissociated as a  
8531 member.

8532 (7) Subject to Subsection (9), the rights under this section do not extend to a person as  
8533 transferee.

8534 (8) If a member dies, Section 48-3a-504 applies.

8535 (9) In addition to any restriction or condition stated in the operating agreement, a  
8536 limited liability company, as a matter within the ordinary course of its activities and affairs,  
8537 may impose reasonable restrictions and conditions on access to and use of information to be  
8538 furnished under this section, including designating information confidential and imposing  
8539 nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the  
8540 reasonableness of a restriction under this Subsection (9), the limited liability company has the  
8541 burden of proving reasonableness.

8542 Section 319. Section **48-3a-501** is enacted to read:

8543 **Part 5. Transferable Interest and Rights of Transferees and Creditors**

8544 **48-3a-501. Nature of transferable interest.**

8545 A transferable interest is personal property.

8546 Section 320. Section **48-3a-502** is enacted to read:

8547 **48-3a-502. Transfer of transferable interest.**

8548 (1) Subject to Subsection 48-3a-503(6), a transfer, in whole or in part, of a transferable  
8549 interest:

8550 (a) is permissible;

8551 (b) does not by itself cause a member's dissociation or a dissolution and winding up of  
8552 the limited liability company's activities and affairs; and

8553 (c) subject to Section 48-3a-504, does not entitle the transferee to:

8554 (i) participate in the management or conduct of the limited liability company's  
8555 activities and affairs; or

8556 (ii) except as otherwise provided in Subsection (3), have access to records or other  
8557 information concerning the limited liability company's activities and affairs.

8558 (2) A transferee has the right to receive, in accordance with the transfer, distributions to  
8559 which the transferor would otherwise be entitled.

8560 (3) In a dissolution and winding up of a limited liability company, a transferee is  
8561 entitled to an account of the limited liability company's transactions only from the date of  
8562 dissolution.

8563 (4) A transferable interest may be evidenced by a certificate of the interest issued by  
8564 the limited liability company in a record, and, subject to this section, the interest represented by  
8565 the certificate may be transferred by a transfer of the certificate.

8566 (5) A limited liability company need not give effect to a transferee's rights under this  
8567 section until the limited liability company knows or has notice of the transfer.

8568 (6) A transfer of a transferable interest in violation of a restriction on transfer contained  
8569 in the operating agreement is ineffective as to a person having knowledge or notice of the

8570 restriction at the time of transfer.

8571 (7) Except as otherwise provided in Subsection 48-3a-602(5)(b), if a member transfers  
8572 a transferable interest, the transferor retains the rights of a member other than the transferable  
8573 interest transferred and retains all the duties and obligations of a member.

8574 (8) If a member transfers a transferable interest to a person that becomes a member  
8575 with respect to the transferred interest, the transferee is liable for the member's obligations  
8576 under Section 48-3a-403 and Subsection 48-3a-406(3) known to the transferee when the  
8577 transferee becomes a member.

8578 Section 321. Section **48-3a-503** is enacted to read:

8579 **48-3a-503. Charging order.**

8580 (1) On application by a judgment creditor of a member or transferee, a court may enter  
8581 a charging order against the transferable interest of the judgment debtor for the unsatisfied  
8582 amount of the judgment. Except as otherwise provided in Subsection (6), a charging order  
8583 constitutes a lien on a judgment debtor's transferable interest and, after the limited liability  
8584 company has been served with the charging order, requires the limited liability company to pay  
8585 over to the person to which the charging order was issued any distribution that otherwise would  
8586 be paid to the judgment debtor.

8587 (2) To the extent necessary to effectuate the collection of distributions pursuant to a  
8588 charging order in effect under Subsection (1), the court may:

8589 (a) appoint a receiver of the distributions subject to the charging order, with the power  
8590 to make all inquiries the judgment debtor might have made; and

8591 (b) make all other orders necessary to give effect to the charging order.

8592 (3) Upon a showing that distributions under a charging order will not pay the judgment  
8593 debt within a reasonable time, the court may foreclose the lien and order the sale of the  
8594 transferable interest. Except as otherwise provided in Subsection (6), the purchaser at the  
8595 foreclosure sale only obtains the transferable interest, does not thereby become a member, and  
8596 is subject to Section 48-3a-502.

8597 (4) At any time before foreclosure under Subsection (3), the member or transferee

8598 whose transferable interest is subject to a charging order under Subsection (1) may extinguish  
8599 the charging order by satisfying the judgment and filing a certified copy of the satisfaction with  
8600 the court that issued the charging order.

8601 (5) At any time before foreclosure under Subsection (3), a limited liability company or  
8602 one or more members whose transferable interests are not subject to the charging order may  
8603 pay to the judgment creditor the full amount due under the judgment and thereby succeed to the  
8604 rights of the judgment creditor, including the charging order.

8605 (6) If a court orders foreclosure of a charging order lien against the sole member of a  
8606 limited liability company:

8607 (a) the court shall confirm the sale;

8608 (b) the purchaser at the sale obtains the member's entire interest, not only the member's  
8609 transferable interest;

8610 (c) the purchaser thereby becomes a member; and

8611 (d) the person whose interest was subject to the foreclosed charging order is  
8612 dissociated as a member.

8613 (7) This chapter does not deprive any member or transferee of the benefit of any  
8614 exemption laws applicable to the transferable interest of the member or transferee.

8615 (8) This section provides the exclusive remedy by which a person seeking to enforce a  
8616 judgment against a member or transferee may, in the capacity of judgment creditor, satisfy the  
8617 judgment from the judgment debtor's transferable interest.

8618 Section 322. Section **48-3a-504** is enacted to read:

8619 **48-3a-504. Power of legal representative of deceased member.**

8620 If a member dies, the deceased member's legal representative may exercise:

8621 (1) the rights of a transferee provided in Subsection 48-3a-502(3); and

8622 (2) for the purposes of settling the estate, the rights the deceased member had under  
8623 Section 48-3a-410.

8624 Section 323. Section **48-3a-601** is enacted to read:

8625 **Part 6. Dissociation**

8626 **48-3a-601. Power to dissociate as member -- Wrongful dissociation.**

8627 (1) A person has the power to dissociate as a member at any time, rightfully or  
8628 wrongfully, by withdrawing as a member by express will under Subsection 48-3a-602(1).

8629 (2) A person's dissociation as a member is wrongful only if the dissociation:

8630 (a) is in breach of an express provision of the operating agreement; or

8631 (b) occurs before the completion of the winding up of the limited liability company

8632 and:

8633 (i) the person withdraws as a member by express will;

8634 (ii) the person is expelled as a member by judicial order under Subsection

8635 48-3a-602(6);

8636 (iii) the person is dissociated under Subsection 48-3a-602(8); or

8637 (iv) in the case of a person that is not a trust other than a business trust, an estate, or an

8638 individual, the person is expelled or otherwise dissociated as a member because it willfully

8639 dissolved or terminated.

8640 (3) A person that wrongfully dissociates as a member is liable to the limited liability  
8641 company and, subject to Section 48-3a-801, to the other members for damages caused by the  
8642 dissociation. The liability is in addition to any debt, obligation, or other liability of the member  
8643 to the limited liability company or the other members.

8644 Section 324. Section **48-3a-602** is enacted to read:

8645 **48-3a-602. Events causing dissociation.**

8646 A person is dissociated as a member when:

8647 (1) the limited liability company has notice of the person's express will to withdraw as  
8648 a member, but, if the person specified a withdrawal date later than the date the limited liability  
8649 company had notice, on that later date;

8650 (2) an event stated in the operating agreement as causing the person's dissociation  
8651 occurs;

8652 (3) the person's entire interest is transferred in a foreclosure sale under Subsection  
8653 48-3a-503(6);

- 8654 (4) the person is expelled as a member pursuant to the operating agreement;  
8655 (5) the person is expelled as a member by the unanimous consent of the other members  
8656 if:  
8657 (a) it is unlawful to carry on the limited liability company's activities and affairs with  
8658 the person as a member;  
8659 (b) there has been a transfer of all the person's transferable interest in the limited  
8660 liability company, other than:  
8661 (i) a transfer for security purposes; or  
8662 (ii) a charging order in effect under Section 48-3a-503 which has not been foreclosed;  
8663 (c) the person is a corporation, and:  
8664 (i) the limited liability company notifies the person that it will be expelled as a member  
8665 because the person has filed a statement of dissolution or the equivalent, its charter has been  
8666 revoked, or its right to conduct business has been suspended by the jurisdiction of its  
8667 incorporation; and  
8668 (ii) not later than 90 days after the notification the statement of dissolution or the  
8669 equivalent has not been revoked or its charter or right to conduct business has not been  
8670 reinstated; or  
8671 (d) the person is an unincorporated entity that has been dissolved and whose business  
8672 is being wound up;  
8673 (6) on application by the limited liability company or a member in a direct action under  
8674 Section 48-3a-801, the person is expelled as a member by judicial order because the person:  
8675 (a) has engaged or is engaging in wrongful conduct that has affected adversely and  
8676 materially, or will affect adversely and materially, the limited liability company's activities and  
8677 affairs;  
8678 (b) has committed willfully or persistently, or is committing willfully or persistently, a  
8679 material breach of the operating agreement or a duty or obligation under Section 48-3a-409; or  
8680 (c) has engaged or is engaging in conduct relating to the limited liability company's  
8681 activities and affairs which makes it not reasonably practicable to carry on the activities and

8682 affairs with the person as a member;  
8683 (7) in the case of an individual:  
8684 (a) the individual dies; or  
8685 (b) in a member-managed limited liability company:  
8686 (i) a guardian or general conservator for the individual is appointed; or  
8687 (ii) a court orders that the individual has otherwise become incapable of performing the  
8688 individual's duties as a member under this chapter or the operating agreement;  
8689 (8) in a member-managed limited liability company, the person:  
8690 (a) becomes a debtor in bankruptcy;  
8691 (b) executes an assignment for the benefit of creditors; or  
8692 (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or  
8693 liquidator of the person or of all or substantially all the person's property;  
8694 (9) in the case of a person that is a testamentary or inter vivos trust or is acting as a  
8695 member by virtue of being a trustee of such a trust, the trust's entire transferable interest in the  
8696 limited liability company is distributed;  
8697 (10) in the case of a person that is an estate or is acting as a member by virtue of being  
8698 a personal representative of an estate, the estate's entire transferable interest in the limited  
8699 liability company is distributed, but not merely by reason of substitution of a successor  
8700 personal representative;  
8701 (11) in the case of a person that is not an individual, corporation, unincorporated entity,  
8702 trust, or estate, the existence of the person terminates;  
8703 (12) the limited liability company participates in a merger under Part 10, Merger,  
8704 Interest Exchange, Conversion, and Domestication, and:  
8705 (a) the limited liability company is not the surviving entity; or  
8706 (b) otherwise as a result of the merger, the person ceases to be a member;  
8707 (13) the limited liability company participates in an interest exchange under Part 10,  
8708 Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the interest  
8709 exchange, the person ceases to be a member;

8710 (14) the limited liability company participates in a conversion under Part 10, Merger,  
8711 Interest Exchange, Conversion, and Domestication;

8712 (15) the limited liability company participates in a domestication under Part 10,  
8713 Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the  
8714 domestication, the person ceases to be a member; or

8715 (16) the limited liability company dissolves and completes winding up.

8716 Section 325. Section **48-3a-603** is enacted to read:

8717 **48-3a-603. Effect of dissociation.**

8718 (1) If a person is dissociated as a member:

8719 (a) the person's right to participate as a member in the management and conduct of the  
8720 company's activities and affairs terminates;

8721 (b) if the limited liability company is member-managed, the person's duties and  
8722 obligations under Section 48-3a-409 as a member end with regard to matters arising and events  
8723 occurring after the person's dissociation; and

8724 (c) subject to Section 48-3a-504 and Part 10, Merger, Interest Exchange, Conversion,  
8725 and Domestication, any transferable interest owned by the person in the person's capacity as a  
8726 member immediately before dissociation as a member is owned by the person solely as a  
8727 transferee.

8728 (2) A person's dissociation as a member does not of itself discharge the person from  
8729 any debt, obligation, or other liability to the limited liability company or the other members  
8730 which the person incurred while a member.

8731 Section 326. Section **48-3a-701** is enacted to read:

8732 **Part 7. Dissolution and Winding Up**

8733 **48-3a-701. Events causing dissolution.**

8734 A limited liability company is dissolved, and its activities and affairs must be wound  
8735 up, upon the occurrence of any of the following:

8736 (1) an event or circumstance that the operating agreement states causes dissolution;

8737 (2) the consent of all the members;

8738 (3) the passage of 90 consecutive days during which the limited liability company has  
8739 no members unless:

8740 (a) consent to admit at least one specified person as a member is given by transferees  
8741 owning the rights to receive a majority of distributions as transferees at the time the consent is  
8742 to be effective; and

8743 (b) at least one person becomes a member in accordance with the consent;

8744 (4) on application by a member, the entry by the district court of an order dissolving  
8745 the limited liability company on the grounds that:

8746 (a) the conduct of all or substantially all of the limited liability company's activities and  
8747 affairs is unlawful; or

8748 (b) it is not reasonably practicable to carry on the limited liability company's activities  
8749 and affairs in conformity with the certificate of organization and the operating agreement;

8750 (5) on application by a member, the entry by the district court of an order dissolving  
8751 the limited liability company on the grounds that the managers or those members in control of  
8752 the limited liability company:

8753 (a) have acted, are acting, or will act in a manner that is illegal or fraudulent; or

8754 (b) have acted, are acting, or will act in a manner that is oppressive and was, is, or will  
8755 be directly harmful to the applicant; or

8756 (6) the signing and filing of a statement of administrative dissolution by the division  
8757 under Subsection 48-3a-708(3).

8758 Section 327. Section **48-3a-702** is enacted to read:

8759 **48-3a-702. Election to purchase in lieu of dissolution.**

8760 (1) In a proceeding under Subsection 48-3a-701(5) to dissolve a limited liability  
8761 company, the limited liability company may elect or, if it fails to elect, one or more members  
8762 may elect to purchase the interest in the limited liability company owned by the applicant  
8763 member at the fair market value of the interest, determined as provided in this section. An  
8764 election pursuant to this Subsection (1) is irrevocable unless the district court determines that it  
8765 is equitable to set aside or modify the election.

8766           (2) An election to purchase pursuant to this section may be filed with the district court  
8767 at any time within 90 days after the filing of the petition in a proceeding under Subsection  
8768 48-3a-701(5) or at any later time as the district court in its discretion may allow. If the limited  
8769 liability company files an election with the district court within the 90-day period, or at any  
8770 later time allowed by the district court, to purchase the interest in the limited liability company  
8771 owned by the applicant member, the limited liability company shall purchase the interest in the  
8772 manner provided in this section.

8773           (3) If the limited liability company does not file an election with the district court  
8774 within the time period, but an election to purchase the interest in the limited liability company  
8775 owned by the applicant member is filed by one or more members within the time period, the  
8776 limited liability company shall, within 10 days after the later of the end of the time period  
8777 allowed for the filing of elections to purchase under this section or notification from the district  
8778 court of an election by members to purchase the interest in the limited liability company owned  
8779 by the applicant member as provided in this section, give written notice of the election to  
8780 purchase to all members of the limited liability company, other than the applicant member.  
8781 The notice shall state the name and the percentage interest in the limited liability company  
8782 owned by the applicant member and the name and the percentage interest in the limited liability  
8783 company owned by each electing member. The notice shall advise any recipients who have not  
8784 participated in the election of their right to join in the election to purchase the interest in the  
8785 limited liability company in accordance with this section and of the date by which any notice of  
8786 intent to participate must be filed with the district court.

8787           (4) Members who wish to participate in the purchase of the interest in the limited  
8788 liability company of the applicant member must file notice of their intention to join in the  
8789 purchase by electing members no later than 30 days after the effective date of the limited  
8790 liability company's notice of their right to join in the election to purchase.

8791           (5) All members who have filed with the district court an election or notice of their  
8792 intention to participate in the election to purchase the interest in the limited liability company  
8793 of the applicant member thereby become irrevocably obligated to participate in the purchase of

8794 the interest from the applicant member upon the terms and conditions of this section, unless the  
8795 district court otherwise directs.

8796 (6) After an election has been filed by the limited liability company or one or more  
8797 members, the proceedings under Subsection 48-3a-701(5) may not be discontinued or settled,  
8798 nor may the applicant member sell or otherwise dispose of the applicant member's interest in  
8799 the limited liability company, unless the district court determines that it would be equitable to  
8800 the limited liability company and the members, other than the applicant member, to permit any  
8801 discontinuance, settlement, sale, or other disposition.

8802 (7) If, within 60 days after the earlier of the limited liability company filing of an  
8803 election to purchase the interest in the limited liability company of the applicant member or the  
8804 limited liability company's mailing of a notice to its members of the filing of an election by the  
8805 members to purchase the interest in the limited liability company of the applicant member, the  
8806 applicant member and electing limited liability company or members reach agreement as to the  
8807 fair market value and terms of the purchase of the applicant member's interest, the district court  
8808 shall enter an order directing the purchase of the applicant member's interest, upon the terms  
8809 and conditions agreed to by the parties.

8810 (8) If the parties are unable to reach an agreement as provided for in Subsection (7),  
8811 upon application of any party, the district court shall stay the proceedings under Subsection  
8812 48-3a-701(5) and determine the fair market value of the applicant member's interest in the  
8813 limited liability company as of the day before the date on which the petition under Subsection  
8814 48-3a-701(5) was filed or as of any other date the district court determines to be appropriate  
8815 under the circumstances and based on the factors the district court determines to be appropriate.

8816 (9) Upon determining the fair market value of the interest in the limited liability  
8817 company of the applicant member, the district court shall enter an order directing the purchase  
8818 of the interest in the limited liability company upon terms and conditions the district court  
8819 determines to be appropriate. The terms and conditions may include payment of the purchase  
8820 price in installments, where necessary in the interest of equity, provision for security to assure  
8821 payment of the purchase price and any additional costs, fees, and expenses awarded by the

8822 district court, and an allocation of the interest in the limited liability company among members  
8823 if the interest in the limited liability company is to be purchased by members.

8824 (10) In allocating the applicant member's interest in the limited liability company  
8825 among holders of different classes of members, the district court shall attempt to preserve the  
8826 existing distribution of voting rights among member classes to the extent practicable. The  
8827 district court may direct that holders of a specific class or classes may not participate in the  
8828 purchase. The district court may not require any electing member to purchase more of the  
8829 interest in the limited liability company owned by the applicant member than the percentage  
8830 interest that the purchasing member may have set forth in the purchasing member's election or  
8831 notice of intent to participate filed with the district court.

8832 (11) Interest may be allowed at the rate and from the date determined by the district  
8833 court to be equitable. However, if the district court finds that the refusal of the applicant  
8834 member to accept an offer of payment was arbitrary or otherwise not in good faith, interest may  
8835 not be allowed.

8836 (12) If the district court finds that the applicant member had probable ground for relief  
8837 under Subsection 48-3a-701(5), the district court may award to the applicant member  
8838 reasonable fees and expenses of counsel and experts employed by the applicant member.

8839 (13) Upon entry of an order under Subsection (7) or (9), the district court shall dismiss  
8840 the petition to dissolve the limited liability company under Subsection 48-3a-701(5) and the  
8841 applicant member shall no longer have any rights or status as a member of the limited liability  
8842 company, except the right to receive the amounts awarded to the applicant member by the  
8843 district court. The award is enforceable in the same manner as any other judgment.

8844 (14) The purchase ordered pursuant to Subsection (9) shall be made within 10 days  
8845 after the date the order becomes final, unless before that time the limited liability company files  
8846 with the district court a notice of its intention to file a statement of dissolution. The statement  
8847 of dissolution must then be adopted and filed within 60 days after notice.

8848 (15) Upon filing of a statement of dissolution, the limited liability company is  
8849 dissolved and shall be wound up pursuant to Section 48-3a-703, and the order entered pursuant

8850 to Subsection (9) is no longer of any force or effect. However, the district court may award the  
8851 applicant member reasonable fees and expenses in accordance with Subsection (12). The  
8852 applicant member may continue to pursue any claims previously asserted on behalf of the  
8853 limited liability company.

8854 (16) Any payment by the limited liability company pursuant to an order under  
8855 Subsection (7) or (9), other than an award of fees and expenses pursuant to Subsection (12), is  
8856 subject to the provisions of Sections 48-3a-405 and 48-3a-406.

8857 Section 328. Section **48-3a-703** is enacted to read:

8858 **48-3a-703. Winding up.**

8859 (1) A dissolved limited liability company shall wind up its activities and affairs and,  
8860 except as otherwise provided in Section 48-3a-704, the limited liability company continues  
8861 after dissolution only for the purpose of winding up.

8862 (2) In winding up its activities and affairs, a limited liability company:

8863 (a) shall discharge the limited liability company's debts, obligations, and other  
8864 liabilities, settle and close the limited liability company's activities and affairs, and marshal and  
8865 distribute the assets of the limited liability company; and

8866 (b) may:

8867 (i) deliver to the division for filing a statement of dissolution stating the name of the  
8868 limited liability company and that the limited liability company is dissolved;

8869 (ii) preserve the limited liability company activities, affairs, and property as a going  
8870 concern for a reasonable time;

8871 (iii) prosecute and defend actions and proceedings, whether civil, criminal, or  
8872 administrative;

8873 (iv) transfer the limited liability company's property;

8874 (v) settle disputes by mediation or arbitration;

8875 (vi) deliver to the division for filing a statement of termination stating the name of the  
8876 limited liability company and that the limited liability company is terminated; and

8877 (vii) perform other acts necessary or appropriate to the winding up.

8878 (3) If a dissolved limited liability company has no members, the legal representative of  
8879 the last person to have been a member may wind up the activities and affairs of the limited  
8880 liability company. If the person does so, the person has the powers of a sole manager under  
8881 Subsection 48-3a-407(3) and is deemed to be a manager for the purposes of Subsection  
8882 48-3a-304(1).

8883 (4) If the legal representative under Subsection (3) declines or fails to wind up the  
8884 limited liability company's activities and affairs, a person may be appointed to do so by the  
8885 consent of transferees owning a majority of the rights to receive distributions as transferees at  
8886 the time the consent is to be effective. A person appointed under this Subsection (4):

8887 (a) has the powers of a sole manager under Subsection 48-3a-407(3) and is deemed to  
8888 be a manager for the purposes of Subsection 48-3a-304(1); and

8889 (b) shall promptly deliver to the division for filing an amendment to the limited  
8890 liability company's certificate of organization stating:

8891 (i) that the limited liability company has no members;

8892 (ii) the name and street and mailing addresses of the person; and

8893 (iii) that the person has been appointed pursuant to this subsection to wind up the  
8894 limited liability company.

8895 (5) A district court may order judicial supervision of the winding up of a dissolved  
8896 limited liability company, including the appointment of a person to wind up the limited liability  
8897 company's activities and affairs:

8898 (a) on application of a member, if the applicant establishes good cause;

8899 (b) on the application of a transferee, if:

8900 (i) the company does not have any members;

8901 (ii) the legal representative of the last person to have been a member declines or fails to  
8902 wind up the limited liability company's activities; and

8903 (iii) within a reasonable time following the dissolution a person has not been appointed  
8904 pursuant to Subsection (4); or

8905 (c) in connection with a proceeding under Subsection 48-3a-701(4) or (5).

8906 Section 329. Section **48-3a-704** is enacted to read:

8907 **48-3a-704. Rescinding dissolution.**

8908 (1) A limited liability company may rescind its dissolution, unless a statement of  
8909 termination applicable to the limited liability company is effective, the district court has  
8910 entered an order under Subsection 48-3a-701(4) or (5) dissolving the limited liability company,  
8911 or the division has dissolved the limited liability company under Section 48-3a-708.

8912 (2) Rescinding dissolution under this section requires:

8913 (a) the consent of each member;

8914 (b) if a statement of dissolution applicable to the limited liability company has been  
8915 filed by the division but has not become effective, the delivery to the division for filing of a  
8916 statement of withdrawal under Section 48-3a-207 applicable to the statement of dissolution;  
8917 and

8918 (c) if a statement of dissolution applicable to the limited liability company is effective,  
8919 the delivery to the division for filing of a statement of correction under Section 48-3a-208  
8920 stating that dissolution has been rescinded under this section.

8921 (3) If a limited liability company rescinds its dissolution:

8922 (a) the limited liability company resumes carrying on its activities and affairs as if  
8923 dissolution had never occurred;

8924 (b) subject to Subsection (3)(c), any liability incurred by the limited liability company  
8925 after the dissolution and before the rescission is effective is determined as if dissolution had  
8926 never occurred; and

8927 (c) the rights of a third party arising out of conduct in reliance on the dissolution before  
8928 the third party knew or had notice of the rescission may not be adversely affected.

8929 Section 330. Section **48-3a-705** is enacted to read:

8930 **48-3a-705. Known claims against dissolved limited liability company.**

8931 (1) A dissolved limited liability company in winding up may dispose of the known  
8932 claims against it by following the procedures described in this section.

8933 (2) A limited liability company in winding up, electing to dispose of known claims

8934 pursuant to this section, may give written notice of the limited liability company's dissolution  
8935 to known claimants at any time after the effective date of the dissolution. The written notice  
8936 must:

8937 (a) describe the information that must be included in a claim;

8938 (b) provide an address to which written notice of any claim must be given to the  
8939 limited liability company;

8940 (c) state the deadline, which may not be fewer than 120 days after the effective date of  
8941 the notice, by which the dissolved limited liability company must receive the claim; and

8942 (d) state that, unless sooner barred by another state statute limiting actions, the claim  
8943 will be barred if not received by the deadline.

8944 (3) Unless sooner barred by another state statute limiting actions, a claim against the  
8945 dissolved limited liability company is barred if:

8946 (a) a claimant was given notice under Subsection (2) and the claim is not received by  
8947 the dissolved limited liability company by the deadline; or

8948 (b) the dissolved limited liability company delivers to the claimant written notice of  
8949 rejection of the claim within 90 days after receipt of the claim and the claimant whose claim  
8950 was rejected by the dissolved limited liability company does not commence a proceeding to  
8951 enforce the claim within 90 days after the effective date of the rejection notice.

8952 (4) Claims which are not rejected by the dissolved limited liability company in writing  
8953 within 90 days after receipt of the claim by the dissolved limited liability company shall be  
8954 considered approved.

8955 (5) The failure of the dissolved limited liability company to give notice to any known  
8956 claimant pursuant to Subsection (2) does not affect the disposition under this section of any  
8957 claim held by any other known claimant.

8958 (6) This section does not apply to a claim based on an event occurring after the  
8959 effective date of dissolution or a liability that on that date is contingent.

8960 Section 331. Section **48-3a-706** is enacted to read:

8961 **48-3a-706. Other claims against dissolved limited liability company.**

8962           (1) A dissolved limited liability company may publish notice of its dissolution and  
8963 request persons having claims against the limited liability company to present them in  
8964 accordance with the notice.

8965           (2) A notice under Subsection (1) must:

8966           (a) be published at least once in a newspaper of general circulation in the county in this  
8967 state in which the dissolved limited liability company's principal office is located or, if the  
8968 principal office is not located in this state, in the county in which the office of the limited  
8969 liability company's registered agent is or was last located and in accordance with Section  
8970 45-1-101;

8971           (b) describe the information required to be contained in a claim, state that the claim  
8972 must be in writing, and provide a mailing address to which the claim is to be sent; and

8973           (c) state that a claim against the limited liability company is barred unless an action to  
8974 enforce the claim is commenced not later than three years after publication of the notice.

8975           (3) If a dissolved limited liability company publishes a notice in accordance with  
8976 Subsection (2), the claim of each of the following claimants is barred unless the claimant  
8977 commences an action to enforce the claim against the limited liability company not later than  
8978 three years after the publication date of the notice:

8979           (a) a claimant that did not receive notice in a record under Section 48-3a-705;

8980           (b) a claimant whose claim was timely sent to the limited liability company but not  
8981 acted on; and

8982           (c) a claimant whose claim is contingent at, or based on an event occurring after, the  
8983 effective date of dissolution.

8984           (4) A claim not barred under this section or Section 48-3a-705 may be enforced:

8985           (a) against a dissolved limited liability company, to the extent of its undistributed  
8986 assets; and

8987           (b) except as otherwise provided in Section 48-3a-707, if assets of the limited liability  
8988 company have been distributed after dissolution, against a member or transferee to the extent of  
8989 that person's proportionate share of the claim or of the limited liability company's assets

8990 distributed to the member or transferee after dissolution, whichever is less, but a person's total  
8991 liability for all claims under this subsection may not exceed the total amount of assets  
8992 distributed to the person after dissolution.

8993 Section 332. Section **48-3a-707** is enacted to read:

8994 **48-3a-707. Court proceedings.**

8995 (1) A dissolved limited liability company that has published a notice under Section  
8996 48-3a-706 may file an application with district court in the county where the dissolved limited  
8997 liability company's principal office is located, or, if the principal office is not located in this  
8998 state, where the office of its registered agent is located, for a determination of the amount and  
8999 form of security to be provided for payment of claims that are contingent, have not been made  
9000 known to the limited liability company, or are based on an event occurring after the effective  
9001 date of dissolution but which, based on the facts known to the dissolved limited liability  
9002 company, are reasonably expected to arise after the effective date of dissolution. Security is  
9003 not required for any claim that is or is reasonably anticipated to be barred under Subsection  
9004 48-3a-706(3).

9005 (2) Not later than 10 days after the filing of an application under Subsection (1), the  
9006 dissolved limited liability company shall give notice of the proceeding to each claimant holding  
9007 a contingent claim known to the limited liability company.

9008 (3) In any proceeding under this section, the court may appoint a guardian ad litem to  
9009 represent all claimants whose identities are unknown. The reasonable fees and expenses of the  
9010 guardian, including all reasonable expert witness fees, must be paid by the dissolved limited  
9011 liability company.

9012 (4) A dissolved limited liability company that provides security in the amount and form  
9013 ordered by the court under Subsection (1) satisfies the limited liability company's obligations  
9014 with respect to claims that are contingent, have not been made known to the limited liability  
9015 company, or are based on an event occurring after the effective date of dissolution, and such  
9016 claims may not be enforced against a member or transferee that received assets in liquidation.

9017 Section 333. Section **48-3a-708** is enacted to read:

9018 **48-3a-708. Administrative dissolution.**

9019 (1) The division may commence a proceeding under Subsections (2) and (3) to dissolve  
9020 a limited liability company administratively if the limited liability company does not:

9021 (a) pay any fee, tax, interest, or penalty required to be paid to the division not later than  
9022 60 days after it is due;

9023 (b) deliver an annual report to the division not later than 60 days after it is due; or

9024 (c) have a registered agent in this state for 60 consecutive days.

9025 (2) If the division determines that one or more grounds exist for administratively  
9026 dissolving a limited liability company, the division shall serve the limited liability company  
9027 with notice in a record of division's determination.

9028 (3) If a limited liability company, not later than 60 days after service of the notice  
9029 under Subsection (2), does not cure or demonstrate to the satisfaction of the division the  
9030 nonexistence of each ground determined by the division, the division shall administratively  
9031 dissolve the limited liability company by signing a statement of administrative dissolution that  
9032 recites the grounds for dissolution and the effective date of dissolution. The division shall file  
9033 the statement and serve a copy on the limited liability company pursuant to Section 48-3a-209.

9034 (4) A limited liability company that is administratively dissolved continues in existence  
9035 as an entity but may not carry on any activities except as necessary to wind up its activities and  
9036 affairs and liquidate its assets under Sections 48-3a-703, 48-3a-705, 48-3a-706, 48-3a-707, and  
9037 48-3a-711, or to apply for reinstatement under Section 48-3a-709.

9038 (5) The administrative dissolution of a limited liability company does not terminate the  
9039 authority of its registered agent.

9040 Section 334. Section **48-3a-709** is enacted to read:

9041 **48-3a-709. Reinstatement.**

9042 (1) A limited liability company that is administratively dissolved under Section  
9043 48-3a-708 may apply to the division for reinstatement not later than two years after the  
9044 effective date of dissolution. The application must state:

9045 (a) the name of the limited liability company at the time of its administrative

9046 dissolution and, if needed, a different name that satisfies Section 48-3a-108;

9047 (b) the address of the principal office of the limited liability company and the name and  
9048 address of its registered agent;

9049 (c) the effective date of the limited liability company's administrative dissolution; and

9050 (d) that the grounds for dissolution did not exist or have been cured.

9051 (2) To be reinstated, a limited liability company must pay all fees, taxes, interest, and  
9052 penalties that were due to the division at the time of its administrative dissolution and all fees,  
9053 taxes, interest, and penalties that would have been due to the division while the limited liability  
9054 company was administratively dissolved.

9055 (3) If the division determines that an application under Subsection (1) contains the  
9056 information required by Subsection (1), is satisfied that the information is correct, and  
9057 determines that all payments required to be made to the division by Subsection (2) have been  
9058 made, the division shall:

9059 (a) cancel the statement of administrative dissolution and prepare a statement of  
9060 reinstatement that states the division's determination and the effective date of reinstatement;

9061 (b) file the statement of reinstatement; and

9062 (c) serve a copy of the statement of reinstatement on the limited liability company.

9063 (4) When reinstatement under this section is effective, the following rules apply:

9064 (a) The reinstatement relates back to and takes effect as of the effective date of the  
9065 administrative dissolution.

9066 (b) The limited liability company may resume its activities and affairs as if the  
9067 administrative dissolution had not occurred.

9068 (c) The rights of a person arising out of an act or omission in reliance on the  
9069 dissolution before the person knew or had notice of the reinstatement are not affected.

9070 Section 335. Section **48-3a-710** is enacted to read:

9071 **48-3a-710. Judicial review of denial of reinstatement.**

9072 (1) If the division denies a limited liability company's application for reinstatement  
9073 following administrative dissolution, the division shall serve the limited liability company with

9074 a notice in a record that explains the reasons for the denial.

9075 (2) A limited liability company may seek judicial review of denial of reinstatement in  
9076 the district court not later than 30 days after service of the notice of denial.

9077 Section 336. Section **48-3a-711** is enacted to read:

9078 **48-3a-711. Disposition of assets in winding up.**

9079 (1) In winding up its activities and affairs, a limited liability company shall apply its  
9080 assets to discharge its obligations to creditors, including members that are creditors.

9081 (2) After a limited liability company complies with Subsection (1), any surplus must be  
9082 distributed in the following order, subject to any charging order in effect under Section  
9083 48-3a-503:

9084 (a) to each person owning a transferable interest that reflects contributions made and  
9085 not previously returned, an amount equal to the value of the unreturned contributions; and

9086 (b) in equal shares among members and dissociated members, except to the extent  
9087 necessary to comply with any transfer effective under Section 48-3a-502.

9088 (3) If a limited liability company does not have sufficient surplus to comply with  
9089 Subsection (2)(a), any surplus must be distributed among the owners of transferable interests in  
9090 proportion to the value of the respective unreturned contributions.

9091 (4) All distributions made under Subsections (2) and (3) must be paid in money.

9092 Section 337. Section **48-3a-801** is enacted to read:

9093 **Part 8. Action by Members**

9094 **48-3a-801. Direct action by member.**

9095 (1) Subject to Subsection (2), a member may maintain a direct action against another  
9096 member, a manager, or the limited liability company to enforce the member's rights and  
9097 otherwise protect the member's interests, including rights and interests under the operating  
9098 agreement or this chapter or arising independently of the membership relationship.

9099 (2) A member maintaining a direct action under this section must plead and prove an  
9100 actual or threatened injury that is not solely the result of an injury suffered or threatened to be  
9101 suffered by the limited liability company.

9102 Section 338. Section **48-3a-802** is enacted to read:

9103 **48-3a-802. Derivative action.**

9104 A member may maintain a derivative action to enforce a right of a limited liability  
9105 company if:

9106 (1) the member first makes a demand on the other members in a member-managed  
9107 limited liability company, or the managers of a manager-managed limited liability company,  
9108 requesting that they cause the limited liability company to bring an action to enforce the right,  
9109 and the managers or other members do not bring the action within a reasonable time; or

9110 (2) a demand under Subsection (1) would be futile.

9111 Section 339. Section **48-3a-803** is enacted to read:

9112 **48-3a-803. Proper plaintiff.**

9113 A derivative action to enforce a right of a limited liability company may be maintained  
9114 only by a person that is a member at the time the action is commenced and:

9115 (1) was a member when the conduct giving rise to the action occurred; or

9116 (2) whose status as a member devolved on the person by operation of law or pursuant  
9117 to the terms of the operating agreement from a person that was a member at the time of the  
9118 conduct.

9119 Section 340. Section **48-3a-804** is enacted to read:

9120 **48-3a-804. Pleading.**

9121 In a derivative action, the complaint must state with particularity:

9122 (1) the date and content of plaintiff's demand and the response by the managers or other  
9123 members to the demand; or

9124 (2) why the demand should be excused as futile.

9125 Section 341. Section **48-3a-805** is enacted to read:

9126 **48-3a-805. Special litigation committee.**

9127 (1) If a limited liability company is named as or made a party in a derivative  
9128 proceeding, the limited liability company may appoint a special litigation committee to  
9129 investigate the claims asserted in the proceeding and determine whether pursuing the action is

9130 in the best interests of the limited liability company. If the limited liability company appoints a  
9131 special litigation committee, on motion by the committee made in the name of the limited  
9132 liability company, except for good cause shown, the court shall stay discovery for the time  
9133 reasonably necessary to permit the committee to make its investigation. This Subsection (1)  
9134 does not prevent the court from:

9135 (a) enforcing a person's right to information under Section 48-3a-410; or

9136 (b) granting extraordinary relief in the form of a temporary restraining order or  
9137 preliminary injunction upon a showing of good cause.

9138 (2) A special litigation committee must be composed of one or more disinterested and  
9139 independent individuals, who may be members.

9140 (3) A special litigation committee may be appointed:

9141 (a) in a member-managed limited liability company:

9142 (i) by the consent of a majority of the members not named as parties in the proceeding;  
9143 and

9144 (ii) if all members are named as parties in the proceeding, by a majority of the  
9145 members named as defendants; or

9146 (b) in a manager-managed limited liability company:

9147 (i) by a majority of the managers not named as parties in the proceeding; and

9148 (ii) if all managers are named as parties in the proceeding, by a majority of the  
9149 managers named as defendants.

9150 (4) After appropriate investigation, a special litigation committee may determine that it  
9151 is in the best interests of the limited liability company that the proceeding:

9152 (a) continue under the control of the plaintiff;

9153 (b) continue under the control of the committee;

9154 (c) be settled on terms approved by the committee; or

9155 (d) be dismissed.

9156 (5) After making a determination under Subsection (4), a special litigation committee  
9157 shall file with the court a statement of its determination and its report supporting its

9158 determination and shall serve each party with a copy of the determination and report. The court  
9159 shall determine whether the members of the committee were disinterested and independent and  
9160 whether the committee conducted its investigation and made its recommendation in good faith,  
9161 independently, and with reasonable care, with the committee having the burden of proof. If the  
9162 court finds that the members of the committee were disinterested and independent and that the  
9163 committee acted in good faith, independently, and with reasonable care, the court shall enforce  
9164 the determination of the committee. Otherwise, the court shall dissolve the stay of discovery  
9165 entered under Subsection (1) and allow the action to continue under the control of the plaintiff.

9166 Section 342. Section **48-3a-806** is enacted to read:

9167 **48-3a-806. Proceeds and expenses.**

9168 (1) Except as otherwise provided in Subsection (2):

9169 (a) any proceeds or other benefits of a derivative action, whether by judgment,  
9170 compromise, or settlement, belong to the limited liability company and not to the plaintiff; and  
9171 (b) if the plaintiff receives any proceeds, the plaintiff shall remit them immediately to  
9172 the limited liability company.

9173 (2) If a derivative action is successful in whole or in part, the court may award the  
9174 plaintiff reasonable expenses, including reasonable attorney's fees and costs, from the recovery  
9175 of the limited liability company.

9176 (3) A derivative action on behalf of a limited liability company may not be voluntarily  
9177 dismissed or settled without the court's approval.

9178 Section 343. Section **48-3a-901** is enacted to read:

9179 **Part 9. Foreign Limited Liability Companies**

9180 **48-3a-901. Governing law.**

9181 (1) The law of the jurisdiction of formation of a foreign limited liability company  
9182 governs:

9183 (a) the internal affairs of the foreign limited liability company; and  
9184 (b) the liability of a member as member and a manager as manager for a debt,  
9185 obligation, or other liability of the company.

9186           (2) A foreign limited liability company is not precluded from registering to do business  
9187 in this state because of any difference between the law of the jurisdiction of formation and the  
9188 law of this state.

9189           (3) Registration of a foreign limited liability company to do business in this state does  
9190 not authorize the foreign limited liability company to engage in any activities or affairs or  
9191 exercise any power that a limited liability company may not engage in or exercise in this state.

9192           (4) (a) The division may permit a tribal limited liability company to apply for authority  
9193 to transact business in the state in the same manner as a foreign limited liability company  
9194 formed in another state.

9195           (b) If a tribal limited liability company elects to apply for authority to transact business  
9196 in the state, for purposes of this chapter, the tribal limited liability company shall be treated in  
9197 the same manner as a foreign limited liability company formed under the laws of another state.

9198           Section 344. Section **48-3a-902** is enacted to read:

9199           **48-3a-902. Registration to do business in this state.**

9200           (1) A foreign limited liability company may not do business in this state until it  
9201 registers with the division under this chapter.

9202           (2) A foreign limited liability company doing business in this state may not maintain an  
9203 action or proceeding in this state unless it is registered to do business in this state.

9204           (3) The failure of a foreign limited liability company to register to do business in this  
9205 state does not impair the validity of a contract or act of the foreign limited liability company or  
9206 preclude it from defending an action or proceeding in this state.

9207           (4) A limitation on the liability of a member or manager of a foreign limited liability  
9208 company is not waived solely because the foreign limited liability company does business in  
9209 this state without registering to do business in this state.

9210           (5) Subsections 48-3a-901(1) and (2) apply even if a foreign limited liability company  
9211 fails to register under this chapter.

9212           Section 345. Section **48-3a-903** is enacted to read:

9213           **48-3a-903. Foreign registration statement.**

9214 To register to do business in this state, a foreign limited liability company must deliver  
9215 a foreign registration statement to the division for filing. The statement must state:

9216 (1) the name of the foreign limited liability company and, if the name does not comply  
9217 with Section 48-3a-108, an alternate name adopted pursuant to Subsection 48-3a-906(1);

9218 (2) that the company is a foreign limited liability company;

9219 (3) the name of the foreign limited liability company's jurisdiction of formation;

9220 (4) the street and mailing addresses of the foreign limited liability company's principal  
9221 office and, if the law of the jurisdiction of formation requires the foreign limited liability  
9222 company to maintain an office in that jurisdiction, the street and mailing addresses of the  
9223 required office; and

9224 (5) the information required by Subsection 16-17-203(1).

9225 Section 346. Section **48-3a-904** is enacted to read:

9226 **48-3a-904. Amendment of foreign registration statement.**

9227 A registered foreign limited liability company shall deliver to the division for filing an  
9228 amendment to its foreign registration statement if there is a change in:

9229 (1) the name of the foreign limited liability company;

9230 (2) the foreign limited liability company's jurisdiction of formation;

9231 (3) an address required by Subsection 48-3a-903(4); or

9232 (4) the information required by Subsection 48-3a-903(5).

9233 Section 347. Section **48-3a-905** is enacted to read:

9234 **48-3a-905. Activities not constituting doing business.**

9235 (1) Activities of a foreign limited liability company which do not constitute doing  
9236 business in this state under this part include:

9237 (a) maintaining, defending, mediating, arbitrating, or settling an action or proceeding;

9238 (b) carrying on any activity concerning its internal affairs, including holding meetings  
9239 of its members or managers;

9240 (c) maintaining accounts in financial institutions;

9241 (d) maintaining offices or agencies for the transfer, exchange, and registration of the

9242 securities of the foreign limited liability company or maintaining trustees or depositories with  
 9243 respect to those securities;

9244 (e) selling through independent contractors;

9245 (f) soliciting or obtaining orders by any means if the orders require acceptance outside  
 9246 this state before they become contracts;

9247 (g) creating or acquiring indebtedness, mortgages, or security interests in property;

9248 (h) securing or collecting debts or enforcing mortgages or security interests in property  
 9249 securing the debts and holding, protecting, or maintaining property;

9250 (i) conducting an isolated transaction that is not in the course of similar transactions;

9251 (j) owning, without more, property; and

9252 (k) doing business in interstate commerce.

9253 (2) A person does not do business in this state solely by being a member or manager of  
 9254 a foreign limited liability company that does business in this state.

9255 (3) This section does not apply in determining the contacts or activities that may  
 9256 subject a foreign limited liability company to service of process, taxation, or regulation under  
 9257 law of this state other than this chapter.

9258 Section 348. Section **48-3a-906** is enacted to read:

9259 **48-3a-906. Noncomplying name of foreign limited liability company.**

9260 (1) A foreign limited liability company whose name does not comply with Section  
 9261 48-3a-108 may not register to do business in this state until it adopts, for the purpose of doing  
 9262 business in this state, an alternate name that complies with Section 48-3a-108. A registered  
 9263 foreign limited liability company that registers under an alternate name under this Subsection  
 9264 (1) need not comply with Title 42, Chapter 2, Conducting Business Under Assumed Name.

9265 After registering to do business in this state with an alternate name, a registered foreign limited  
 9266 liability company shall do business in this state under:

9267 (a) the alternate name;

9268 (b) the foreign limited liability company's name, with the addition of its jurisdiction of  
 9269 formation; or

9270 (c) an assumed or fictitious name the foreign limited liability company is authorized to  
9271 use under Title 42, Chapter 2, Conducting Business Under Assumed Name.

9272 (2) If a registered foreign limited liability company changes its name to one that does  
9273 not comply with Section 48-3a-108, it may not do business in this state until it complies with  
9274 Subsection (1) by amending its registration to adopt an alternate name that complies with  
9275 Section 48-3a-108.

9276 Section 349. Section **48-3a-907** is enacted to read:

9277 **48-3a-907. Withdrawal deemed on conversion to domestic filing entity or**  
9278 **domestic limited liability partnership.**

9279 A registered foreign limited liability company that converts to a domestic limited  
9280 liability partnership or to a domestic entity that is organized, incorporated, or otherwise formed  
9281 through the delivery of a record to the division for filing is deemed to have withdrawn its  
9282 registration on the effective date of the conversion.

9283 Section 350. Section **48-3a-908** is enacted to read:

9284 **48-3a-908. Withdrawal on dissolution or conversion to nonfiling entity other than**  
9285 **limited liability partnership.**

9286 (1) A registered foreign limited liability company that has dissolved and completed  
9287 winding up or has converted to a domestic or foreign entity that is not organized, incorporated,  
9288 or otherwise formed through the public filing of a record, other than a limited liability  
9289 partnership, shall deliver a statement of withdrawal to the division for filing. The statement  
9290 must state:

9291 (a) in the case of a foreign limited liability company that has completed winding up:

9292 (i) its name and jurisdiction of formation; and

9293 (ii) that the foreign limited liability company surrenders its registration to do business  
9294 in this state; and

9295 (b) in the case of a foreign limited liability company that has converted:

9296 (i) the name of the converting foreign limited liability company and its jurisdiction of  
9297 formation;

9298 (ii) the type of entity to which the foreign limited liability company has converted and  
9299 its jurisdiction of formation;

9300 (iii) that the converted entity surrenders the converting foreign limited liability  
9301 company's registration to do business in this state and revokes the authority of the converting  
9302 foreign limited liability company's registered agent to act as registered agent in this state on  
9303 behalf of the foreign limited liability company or the converted entity; and

9304 (iv) a mailing address to which service of process may be made under Subsection (2).

9305 (2) After a withdrawal under this section of a foreign limited liability company that has  
9306 converted to another type of entity is effective, service of process in any action or proceeding  
9307 based on a cause of action arising during the time the foreign limited liability company was  
9308 registered to do business in this state may be made pursuant to Subsection 16-17-301(2).

9309 Section 351. Section **48-3a-909** is enacted to read:

9310 **48-3a-909. Transfer of registration.**

9311 (1) When a registered foreign limited liability company has merged into a foreign  
9312 entity that is not registered to do business in this state or has converted to a foreign entity  
9313 required to register with the division to do business in this state, the foreign entity shall deliver  
9314 to the division for filing an application for transfer of registration. The application must state:

9315 (a) the name of the registered foreign limited liability company before the merger or  
9316 conversion;

9317 (b) that before the merger or conversion the registration pertained to a foreign limited  
9318 liability company;

9319 (c) the name of the applicant foreign entity into which the foreign limited liability  
9320 company has merged or to which it has been converted, and, if the name does not comply with  
9321 Section 48-3a-108 or similar provision of law of this state governing an entity of the same type  
9322 as the applicant foreign entity, an alternate name adopted pursuant to Subsection 48-3a-906(1)  
9323 or similar provision of law of this state governing a foreign entity registered to do business in  
9324 this state of the same type as the applicable foreign entity;

9325 (d) the type of entity of the applicant foreign entity and its jurisdiction of formation;

9326 (e) the street and mailing addresses of the principal office of the applicant foreign  
9327 entity and, if the law of the entity's jurisdiction of formation requires the entity to maintain an  
9328 office in that jurisdiction, the street and mailing addresses of that office; and

9329 (f) the information required under Subsection 16-17-203(1).

9330 (2) When an application for transfer of registration takes effect, the registration of the  
9331 foreign limited liability company to do business in this state is transferred without interruption  
9332 to the foreign entity into which the foreign company has merged or to which it has been  
9333 converted.

9334 Section 352. Section **48-3a-910** is enacted to read:

9335 **48-3a-910. Termination of registration.**

9336 (1) The division may terminate the registration of a registered foreign limited liability  
9337 company in the manner provided in Subsections (2) and (3) if the foreign limited liability  
9338 company does not:

9339 (a) pay, not later than 60 days after the due date, any fee, tax, interest, or penalty  
9340 required to be paid to the division under this chapter or law other than this chapter;

9341 (b) deliver to the division for filing, not later than 60 days after the due date, an annual  
9342 report required under Section 48-3a-212;

9343 (c) have a registered agent as required by Section 48-3a-111; or

9344 (d) deliver to the division for filing a statement of a change under Section 16-17-206  
9345 not later than 30 days after a change has occurred in the name or address of the registered  
9346 agent.

9347 (2) The division may terminate the registration of a registered foreign limited liability  
9348 company by:

9349 (a) filing a notice of termination or noting the termination in the records of the  
9350 division; and

9351 (b) delivering a copy of the notice or the information in the notation to the foreign  
9352 limited liability company's registered agent, or if the foreign limited liability company does not  
9353 have a registered agent, to the foreign limited liability company's principal office.

9354 (3) A notice must state or the information in the notation must include:  
9355 (a) the effective date of the termination, which must be at least 60 days after the date  
9356 the division delivers the copy; and  
9357 (b) the grounds for termination under Subsection (1).  
9358 (4) The authority of a registered foreign limited liability company to do business in this  
9359 state ceases on the effective date of the notice of termination or notation under Subsection (2),  
9360 unless before that date the foreign limited liability company cures each ground for termination  
9361 stated in the notice or notation. If the foreign limited liability company cures each ground, the  
9362 division shall file a record so stating.

9363 Section 353. Section **48-3a-911** is enacted to read:

9364 **48-3a-911. Withdrawal of registration of registered foreign limited liability**  
9365 **company.**

9366 (1) A registered foreign limited liability company may withdraw its registration by  
9367 delivering a statement of withdrawal to the division for filing. The statement of withdrawal  
9368 must state:

- 9369 (a) the name of the foreign limited liability company and its jurisdiction of formation;
- 9370 (b) that the foreign limited liability company is not doing business in this state and that  
9371 it withdraws its registration to do business in this state;
- 9372 (c) that the foreign limited liability company revokes the authority of its registered  
9373 agent to accept service on its behalf in this state; and
- 9374 (d) an address to which service of process may be made under Subsection (2).

9375 (2) After the withdrawal of the registration of a foreign limited liability company,  
9376 service of process in any action or proceeding based on a cause of action arising during the  
9377 time the foreign limited liability company was registered to do business in this state may be  
9378 made pursuant to Subsection 16-17-301(2).

9379 Section 354. Section **48-3a-912** is enacted to read:

9380 **48-3a-912. Action by attorney general.**

9381 The attorney general may maintain an action to enjoin a foreign limited liability

9382 company from doing business in this state in violation of this part.

9383 Section 355. Section **48-3a-1001** is enacted to read:

9384 **Part 10. Merger, Interest Exchange, Conversion, and Domestication**

9385 **48-3a-1001. Definitions.**

9386 In this part:

9387 (1) "Acquired entity" means the entity, all of one or more classes or series of interests  
9388 which are acquired in an interest exchange.

9389 (2) "Acquiring entity" means the entity that acquires all of one or more classes or series  
9390 of interests of the acquired entity in an interest exchange.

9391 (3) "Conversion" means a transaction authorized by Sections 48-3a-1041 through  
9392 48-3a-1046.

9393 (4) "Converted entity" means the converting entity as it continues in existence after a  
9394 conversion.

9395 (5) "Converting entity" means the domestic entity that approves a plan of conversion  
9396 pursuant to Section 48-3a-1043 or the foreign entity that approves a conversion pursuant to the  
9397 law of its jurisdiction of formation.

9398 (6) "Distributional interest" means the right under an unincorporated entity's organic  
9399 law and organic rules to receive distributions from the entity.

9400 (7) "Domestic," with respect to an entity, means governed as to its internal affairs by  
9401 the law of this state.

9402 (8) "Domesticated limited liability company" means the domesticating limited liability  
9403 company as it continues in existence after a domestication.

9404 (9) "Domesticating limited liability company" means the domestic limited liability  
9405 company that approves a plan of domestication pursuant to Section 48-3a-1053 or the foreign  
9406 limited liability company that approves a domestication pursuant to the law of its jurisdiction  
9407 of formation.

9408 (10) "Domestication" means a transaction authorized by Sections 48-3a-1051 through  
9409 48-3a-1056.

- 9410           (11) "Entity":
- 9411           (a) means:
- 9412           (i) a business corporation;
- 9413           (ii) a nonprofit corporation;
- 9414           (iii) a general partnership, including a limited liability partnership;
- 9415           (iv) a limited partnership, including a limited liability limited partnership;
- 9416           (v) a limited liability company;
- 9417           (vi) a limited cooperative association;
- 9418           (vii) an unincorporated nonprofit association;
- 9419           (viii) a statutory trust, business trust, or common-law business trust; or
- 9420           (ix) any other person that has:
- 9421           (A) a legal existence separate from any interest holder of that person; or
- 9422           (B) the power to acquire an interest in real property in its own name; and
- 9423           (b) does not include:
- 9424           (i) an individual;
- 9425           (ii) a trust with a predominantly donative purpose or a charitable trust;
- 9426           (iii) an association or relationship that is not a partnership solely by reason of
- 9427 Subsection 48-1d-202(3) or a similar provision of the law of another jurisdiction;
- 9428           (iv) a decedent's estate; or
- 9429           (v) a government or a governmental subdivision, agency, or instrumentality.
- 9430           (12) "Filing entity" means an entity whose formation requires the filing of a public
- 9431 organic record.
- 9432           (13) "Foreign," with respect to an entity, means an entity governed as to its internal
- 9433 affairs by the law of a jurisdiction other than this state.
- 9434           (14) "Governance interest" means a right under the organic law or organic rules of an
- 9435 unincorporated entity, other than as a governor, agent, assignee, or proxy, to:
- 9436           (a) receive or demand access to information concerning, or the books and records of,
- 9437 the entity;

- 9438 (b) vote for or consent to the election of the governors of the entity; or  
9439 (c) receive notice of or vote on or consent to an issue involving the internal affairs of  
9440 the entity.
- 9441 (15) "Governor" means:  
9442 (a) a director of a business corporation;  
9443 (b) a director or trustee of a nonprofit corporation;  
9444 (c) a general partner of a general partnership;  
9445 (d) a general partner of a limited partnership;  
9446 (e) a manager of a manager-managed limited liability company;  
9447 (f) a member of a member-managed limited liability company;  
9448 (g) a director of a limited cooperative association;  
9449 (h) a manager of an unincorporated nonprofit association;  
9450 (i) a trustee of a statutory trust, business trust, or common-law business trust; or  
9451 (j) any other person under whose authority the powers of an entity are exercised and  
9452 under whose direction the activities and affairs of the entity are managed pursuant to the  
9453 organic law and organic rules of the entity.
- 9454 (16) "Interest" means:  
9455 (a) a share in a business corporation;  
9456 (b) a membership in a nonprofit corporation;  
9457 (c) a partnership interest in a general partnership;  
9458 (d) a partnership interest in a limited partnership;  
9459 (e) a membership interest in a limited liability company;  
9460 (f) a member's interest in a limited cooperative association;  
9461 (g) a membership in an unincorporated nonprofit association;  
9462 (h) a beneficial interest in a statutory trust, business trust, or common-law business  
9463 trust; or  
9464 (i) a governance interest or distributional interest in any other type of unincorporated  
9465 entity.

9466 (17) "Interest exchange" means a transaction authorized by Sections 48-3a-1031  
9467 through 48-3a-1036.

9468 (18) "Interest holder" means:

9469 (a) a shareholder of a business corporation;

9470 (b) a member of a nonprofit corporation;

9471 (c) a general partner of a general partnership;

9472 (d) a general partner of a limited partnership;

9473 (e) a limited partner of a limited partnership;

9474 (f) a member of a limited liability company;

9475 (g) a member of a limited cooperative association;

9476 (h) a member of an unincorporated nonprofit association;

9477 (i) a beneficiary or beneficial owner of a statutory trust, business trust, or common-law  
9478 business trust; or

9479 (j) any other direct holder of an interest.

9480 (19) "Interest holder liability" means:

9481 (a) personal liability for a liability of an entity which is imposed on a person:

9482 (i) solely by reason of the status of the person as an interest holder; or

9483 (ii) by the organic rules of the entity which make one or more specified interest holders  
9484 or categories of interest holders liable in their capacity as interest holders for all or specified  
9485 liabilities of the entity; or

9486 (b) an obligation of an interest holder under the organic rules of an entity to contribute  
9487 to the entity.

9488 (20) "Merger" means a transaction authorized by Sections 48-3a-1021 through  
9489 48-3a-1026.

9490 (21) "Merging entity" means an entity that is a party to a merger and exists  
9491 immediately before the merger becomes effective.

9492 (22) "Organic law" means the law of an entity's jurisdiction of formation governing the  
9493 internal affairs of the entity.

9494 (23) "Organic rules" means the public organic record and private organic rules of an  
9495 entity.

9496 (24) "Plan" means a plan of merger, plan of interest exchange, plan of conversion, or  
9497 plan of domestication.

9498 (25) "Plan of conversion" means a plan under Section 48-3a-1042.

9499 (26) "Plan of domestication" means a plan under Section 48-3a-1052.

9500 (27) "Plan of interest exchange" means a plan under Section 48-3a-1032.

9501 (28) "Plan of merger" means a plan under Section 48-3a-1022.

9502 (29) "Private organic rules" means the rules, whether or not in a record, that govern the  
9503 internal affairs of an entity, are binding on all its interest holders, and are not part of its public  
9504 organic record, if any. The term includes:

9505 (a) the bylaws of a business corporation;

9506 (b) the bylaws of a nonprofit corporation;

9507 (c) the partnership agreement of a general partnership;

9508 (d) the partnership agreement of a limited partnership;

9509 (e) the operating agreement of a limited liability company;

9510 (f) the bylaws of a limited cooperative association;

9511 (g) the governing principles of an unincorporated nonprofit association; and

9512 (h) the trust instrument of a statutory trust or similar rules of a business trust or  
9513 common-law business trust.

9514 (30) "Protected agreement" means:

9515 (a) a record evidencing indebtedness and any related agreement in effect on January 1,  
9516 2014;

9517 (b) an agreement that is binding on an entity on January 1, 2014;

9518 (c) the organic rules of an entity in effect on January 1, 2014; or

9519 (d) an agreement that is binding on any of the governors or interest holders of an entity  
9520 on January 1, 2014.

9521 (31) "Public organic record" means the record the filing of which by the division is

9522 required to form an entity and any amendment to or restatement of that record. The term  
 9523 includes:

- 9524 (a) the articles of incorporation of a business corporation;
- 9525 (b) the articles of incorporation of a nonprofit corporation;
- 9526 (c) the certificate of limited partnership of a limited partnership;
- 9527 (d) the certificate of organization of a limited liability company;
- 9528 (e) the articles of organization of a limited cooperative association; and
- 9529 (f) the certificate of trust of a statutory trust or similar record of a business trust.

9530 (32) "Registered foreign entity" means a foreign entity that is registered to do business  
 9531 in this state pursuant to a record filed by the division.

9532 (33) "Statement of conversion" means a statement under Section 48-3a-1045.

9533 (34) "Statement of domestication" means a statement under Section 48-3a-1055.

9534 (35) "Statement of interest exchange" means a statement under Section 48-3a-1035.

9535 (36) "Statement of merger" means a statement under Section 48-3a-1025.

9536 (37) "Surviving entity" means the entity that continues in existence after or is created  
 9537 by a merger.

9538 (38) "Type of entity" means a generic form of entity:

9539 (a) recognized at common law; or

9540 (b) formed under an organic law, whether or not some entities formed under that  
 9541 organic law are subject to provisions of that law that create different categories of the form of  
 9542 entity.

9543 Section 356. Section **48-3a-1002** is enacted to read:

9544 **48-3a-1002. Relationship of part to other laws.**

9545 This part does not authorize an act prohibited by, and does not affect the application or  
 9546 requirements of, law other than this chapter.

9547 Section 357. Section **48-3a-1003** is enacted to read:

9548 **48-3a-1003. Required notice or approval.**

9549 (1) A domestic or foreign entity that is required to give notice to, or obtain the approval

9550 of, a governmental agency or officer of this state to be a party to a merger must give the notice  
9551 or obtain the approval to be a party to an interest exchange, conversion, or domestication.

9552 (2) Property held for a charitable purpose under the law of this state by a domestic or  
9553 foreign entity immediately before a transaction under this part becomes effective may not, as a  
9554 result of the transaction, be diverted from the objects for which it was donated, granted,  
9555 devised, or otherwise transferred unless, to the extent required by or pursuant to the law of this  
9556 state concerning cy pres or other law dealing with nondiversion of charitable assets, the entity  
9557 obtains an appropriate order of the district court specifying the disposition of the property.

9558 (3) A bequest, devise, gift, grant, or promise contained in a will or other instrument of  
9559 donation, subscription, or conveyance that is made to a merging entity that is not the surviving  
9560 entity and that takes effect or remains payable after the merger inures to the surviving entity. A  
9561 trust obligation that would govern property if transferred to the nonsurviving entity applies to  
9562 property that is transferred to the surviving entity under this section.

9563 Section 358. Section **48-3a-1004** is enacted to read:

9564 **48-3a-1004. Status of filings.**

9565 A filing under this part signed by a domestic entity becomes part of the public organic  
9566 record of the entity if the entity's organic law provides that similar filings under that law  
9567 become part of the public organic record of the entity.

9568 Section 359. Section **48-3a-1005** is enacted to read:

9569 **48-3a-1005. Nonexclusivity.**

9570 The fact that a transaction under this part produces a certain result does not preclude the  
9571 same result from being accomplished in any other manner permitted by law other than this part.

9572 Section 360. Section **48-3a-1006** is enacted to read:

9573 **48-3a-1006. References to external facts.**

9574 A plan may refer to facts ascertainable outside the plan if the manner in which the facts  
9575 will operate upon the plan is specified in the plan. The facts may include the occurrence of an  
9576 event or a determination or action by a person, whether or not the event, determination, or  
9577 action is within the control of a party to the transaction.

9578 Section 361. Section **48-3a-1007** is enacted to read:

9579 **48-3a-1007. Alternative means of approval of transactions.**

9580 Except as otherwise provided in the organic law or organic rules of a domestic entity,  
9581 approval of a transaction under this part by the unanimous vote or consent of its interest  
9582 holders satisfies the requirements of this part for approval of the transaction.

9583 Section 362. Section **48-3a-1008** is enacted to read:

9584 **48-3a-1008. Appraisal rights.**

9585 (1) An interest holder of a domestic merging, acquired, converting, or domesticating  
9586 entity is entitled to appraisal rights in connection with the transaction if the interest holder  
9587 would have been entitled to appraisal rights under the entity's organic law in connection with a  
9588 merger in which the interest of the interest holder was changed, converted, or exchanged  
9589 unless:

9590 (a) the organic law permits the organic rules to limit the availability of appraisal rights;  
9591 and

9592 (b) the organic rules provide such a limit.

9593 (2) An interest holder of a domestic merging, acquired, converting, or domesticating  
9594 entity is entitled to contractual appraisal rights in connection with a transaction under this part  
9595 to the extent provided in:

9596 (a) the entity's organic rules; or

9597 (b) the plan.

9598 Section 363. Section **48-3a-1021** is enacted to read:

9599 **48-3a-1021. Merger authorized.**

9600 (1) By complying with Sections 48-3a-1021 through 48-3a-1026:

9601 (a) one or more domestic limited liability companies may merge with one or more  
9602 domestic or foreign entities into a domestic or foreign surviving entity; and

9603 (b) two or more foreign entities may merge into a domestic limited liability company.

9604 (2) By complying with the provisions of Sections 48-3a-1021 through 48-3a-1026  
9605 applicable to foreign entities, a foreign entity may be a party to a merger under Sections

9606 48-3a-1021 through 48-3a-1026 or may be the surviving entity in such a merger if the merger is  
9607 authorized by the law of the foreign entity's jurisdiction of formation.

9608 Section 364. Section **48-3a-1022** is enacted to read:

9609 **48-3a-1022. Plan of merger.**

9610 (1) A domestic limited liability company may become a party to a merger under  
9611 Sections 48-3a-1021 through 48-3a-1026 by approving a plan of merger. The plan must be in a  
9612 record and contain:

9613 (a) as to each merging entity, its name, jurisdiction of formation, and type of entity;

9614 (b) if the surviving entity is to be created in the merger, a statement to that effect and  
9615 the entity's name, jurisdiction of formation, and type of entity;

9616 (c) the manner of converting the interests in each party to the merger into interests,  
9617 securities, obligations, money, other property, rights to acquire interests or securities, or any  
9618 combination of the foregoing;

9619 (d) if the surviving entity exists before the merger, any proposed amendments to its  
9620 public organic record, if any, or to its private organic rules that are, or are proposed to be, in a  
9621 record;

9622 (e) if the surviving entity is to be created in the merger, its proposed public organic  
9623 record, if any, and the full text of its private organic rules that are proposed to be in a record;

9624 (f) the other terms and conditions of the merger; and

9625 (g) any other provision required by the law of a merging entity's jurisdiction of  
9626 formation or the organic rules of a merging entity.

9627 (2) In addition to the requirements of Subsection (1), a plan of merger may contain any  
9628 other provision not prohibited by law.

9629 Section 365. Section **48-3a-1023** is enacted to read:

9630 **48-3a-1023. Approval of merger.**

9631 (1) A plan of merger is not effective unless it has been approved:

9632 (a) by a domestic merging limited liability company, by all the members of the limited  
9633 liability company entitled to vote on or consent to any matter; and

9634 (b) in a record, by each member of a domestic merging limited liability company that  
9635 will have interest holder liability for debts, obligations, and other liabilities that arise after the  
9636 merger becomes effective, unless:

9637 (i) the operating agreement of the limited liability company in a record provides for the  
9638 approval of a merger in which some or all of its members become subject to interest holder  
9639 liability by the vote or consent of fewer than all the members; and

9640 (ii) the member consented in a record to or voted for that provision of the operating  
9641 agreement or became a member after the adoption of that provision.

9642 (2) A merger involving a domestic merging entity that is not a limited liability  
9643 company is not effective unless the merger is approved by that entity in accordance with its  
9644 organic law.

9645 (3) A merger involving a foreign merging entity is not effective unless the merger is  
9646 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
9647 formation.

9648 Section 366. Section **48-3a-1024** is enacted to read:

9649 **48-3a-1024. Amendment or abandonment of plan of merger.**

9650 (1) A plan of merger may be amended only with the consent of each party to the plan,  
9651 except as otherwise provided in the plan.

9652 (2) A domestic merging limited liability company may approve an amendment of a  
9653 plan of merger:

9654 (a) in the same manner as the plan was approved, if the plan does not provide for the  
9655 manner in which it may be amended; or

9656 (b) by the managers or members in the manner provided in the plan, but a member that  
9657 was entitled to vote on or consent to approval of the merger is entitled to vote on or consent to  
9658 any amendment of the plan that will change:

9659 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
9660 to acquire interests or securities, or any combination of the foregoing, to be received by the  
9661 interest holders of any party to the plan;

9662 (ii) the public organic record, if any, or private organic rules of the surviving entity that  
9663 will be in effect immediately after the merger becomes effective, except for changes that do not  
9664 require approval of the interest holders of the surviving entity under its organic law or organic  
9665 rules; or

9666 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
9667 member in any material respect.

9668 (3) After a plan of merger has been approved and before a statement of merger  
9669 becomes effective, the plan may be abandoned as provided in the plan. Unless prohibited by  
9670 the plan, a domestic merging limited liability company may abandon the plan in the same  
9671 manner as the plan was approved.

9672 (4) If a plan of merger is abandoned after a statement of merger has been delivered to  
9673 the division for filing and before the statement becomes effective, a statement of abandonment,  
9674 signed by a party to the plan, must be delivered to the division for filing before the statement of  
9675 merger becomes effective. The statement of abandonment takes effect on filing, and the  
9676 merger is abandoned and does not become effective. The statement of abandonment must  
9677 contain:

9678 (a) the name of each party to the plan of merger;

9679 (b) the date on which the statement of merger was delivered to the division for filing;

9680 and

9681 (c) a statement that the merger has been abandoned in accordance with this section.

9682 Section 367. Section **48-3a-1025** is enacted to read:

9683 **48-3a-1025. Statement of merger.**

9684 (1) A statement of merger must be signed by each merging entity and delivered to the  
9685 division for filing.

9686 (2) A statement of merger must contain:

9687 (a) the name, jurisdiction of formation, and type of entity of each merging entity that is  
9688 not the surviving entity;

9689 (b) the name, jurisdiction of formation, and type of entity of the surviving entity;

9690 (c) a statement that the merger was approved by each domestic merging entity, if any,  
9691 in accordance with Sections 48-3a-1021 through 48-3a-1026 and by each foreign merging  
9692 entity, if any, in accordance with the law of its jurisdiction of formation;

9693 (d) if the surviving entity exists before the merger and is a domestic filing entity, any  
9694 amendment to its public organic record approved as part of the plan of merger;

9695 (e) if the surviving entity is created by the merger and is a domestic filing entity, its  
9696 public organic record, as an attachment;

9697 (f) if the surviving entity is created by the merger and is a domestic limited liability  
9698 partnership, its statement of qualification, as an attachment; and

9699 (g) if the surviving entity is a foreign entity that is not a registered foreign entity, a  
9700 mailing address to which the division may send any process served on the division pursuant to  
9701 Subsection 48-3a-1026(5).

9702 (3) In addition to the requirements of Subsection (2), a statement of merger may  
9703 contain any other provision not prohibited by law.

9704 (4) If the surviving entity is a domestic entity, its public organic record, if any, must  
9705 satisfy the requirements of the law of this state, but the public organic record does not need to  
9706 be signed.

9707 (5) A plan of merger that is signed by all the merging entities and meets all the  
9708 requirements of Subsection (2) may be delivered to the division for filing instead of a statement  
9709 of merger and on filing has the same effect. If a plan of merger is filed as provided in this  
9710 Subsection (5), references in this part to a statement of merger refer to the plan of merger filed  
9711 under this Subsection (5).

9712 Section 368. Section **48-3a-1026** is enacted to read:

9713 **48-3a-1026. Effect of merger.**

9714 (1) When a merger becomes effective:

9715 (a) the surviving entity continues or comes into existence;

9716 (b) each merging entity that is not the surviving entity ceases to exist;

9717 (c) all property of each merging entity vests in the surviving entity without transfer,

9718 reversion, or impairment;

9719 (d) all debts, obligations, and other liabilities of each merging entity are debts,  
9720 obligations, and other liabilities of the surviving entity;

9721 (e) except as otherwise provided by law or the plan of merger, all the rights, privileges,  
9722 immunities, powers, and purposes of each merging entity vest in the surviving entity;

9723 (f) if the surviving entity exists before the merger:

9724 (i) all its property continues to be vested in it without transfer, reversion, or  
9725 impairment;

9726 (ii) it remains subject to all its debts, obligations, and other liabilities; and

9727 (iii) all its rights, privileges, immunities, powers, and purposes continue to be vested in  
9728 it;

9729 (g) the name of the surviving entity may be substituted for the name of any merging  
9730 entity that is a party to any pending action or proceeding;

9731 (h) if the surviving entity exists before the merger:

9732 (i) its public organic record, if any, is amended as provided in the statement of merger;  
9733 and

9734 (ii) its private organic rules that are to be in a record, if any, are amended to the extent  
9735 provided in the plan of merger;

9736 (i) if the surviving entity is created by the merger:

9737 (i) its public organic record, if any, is effective; and

9738 (ii) its private organic rules are effective; and

9739 (j) the interests in each merging entity which are to be converted in the merger are  
9740 converted, and the interest holders of those interests are entitled only to the rights provided to  
9741 them under the plan of merger and to any appraisal rights they have under Section 48-3a-1008  
9742 and the merging entity's organic law.

9743 (2) Except as otherwise provided in the organic law or organic rules of a merging  
9744 entity, the merger does not give rise to any rights that an interest holder, governor, or third  
9745 party would have upon a dissolution, liquidation, or winding up of the merging entity.

9746 (3) When a merger becomes effective, a person that did not have interest holder  
9747 liability with respect to any of the merging entities and becomes subject to interest holder  
9748 liability with respect to a domestic entity as a result of the merger has interest holder liability  
9749 only to the extent provided by the organic law of that entity and only for those debts,  
9750 obligations, and other liabilities that arise after the merger becomes effective.

9751 (4) When a merger becomes effective, the interest holder liability of a person that  
9752 ceases to hold an interest in a domestic merging entity with respect to which the person had  
9753 interest holder liability is as follows:

9754 (a) The merger does not discharge any interest holder liability under the organic law of  
9755 the domestic merging entity to the extent the interest holder liability arose before the merger  
9756 became effective.

9757 (b) The person does not have interest holder liability under the organic law of the  
9758 domestic merging entity for any debt, obligation, or other liability that arises after the merger  
9759 becomes effective.

9760 (c) The organic law of the domestic merging entity continues to apply to the release,  
9761 collection, or discharge of any interest holder liability preserved under Subsection (4)(a) as if  
9762 the merger had not occurred and the surviving entity were the domestic merging entity.

9763 (d) The person has whatever rights of contribution from any other person as are  
9764 provided by law other than this chapter, this chapter, or the organic rules of the domestic  
9765 merging entity with respect to any interest holder liability preserved under Subsection (4)(a) as  
9766 if the merger had not occurred.

9767 (5) When a merger becomes effective, a foreign entity that is the surviving entity may  
9768 be served with process in this state for the collection and enforcement of any debts, obligations,  
9769 or other liabilities of a domestic merging entity as provided in Section 16-17-301.

9770 (6) When a merger becomes effective, the registration to do business in this state of  
9771 any foreign merging entity that is not the surviving entity is canceled.

9772 Section 369. Section **48-3a-1031** is enacted to read:

9773 **48-3a-1031. Interest exchange authorized.**

9774 (1) By complying with Sections 48-3a-1031 through 48-3a-1036:

9775 (a) a domestic limited liability company may acquire all of one or more classes or  
9776 series of interests of another domestic or foreign entity in exchange for interests, securities,  
9777 obligations, money, other property, rights to acquire interests or securities, or any combination  
9778 of the foregoing; or

9779 (b) all of one or more classes or series of interests of a domestic limited liability  
9780 company may be acquired by another domestic or foreign entity in exchange for interests,  
9781 securities, obligations, money, other property, rights to acquire interests or securities, or any  
9782 combination of the foregoing.

9783 (2) By complying with the provisions of Sections 48-3a-1031 through 48-3a-1036  
9784 applicable to foreign entities, a foreign entity may be the acquiring or acquired entity in an  
9785 interest exchange under Sections 48-3a-1031 through 48-3a-1036 if the interest exchange is  
9786 authorized by the law of the foreign entity's jurisdiction of formation.

9787 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
9788 limited liability company but does not refer to an interest exchange, the provision applies to an  
9789 interest exchange in which the domestic limited liability company is the acquired entity as if  
9790 the interest exchange were a merger until the provision is amended after January 1, 2014.

9791 Section 370. Section **48-3a-1032** is enacted to read:

9792 **48-3a-1032. Plan of interest exchange.**

9793 (1) A domestic limited liability company may be the acquired entity in an interest  
9794 exchange under Sections 48-3a-1031 through 48-3a-1036 by approving a plan of interest  
9795 exchange. The plan must be in a record and contain:

9796 (a) the name of the acquired entity;

9797 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;

9798 (c) the manner of converting the interests in the acquired entity into interests,  
9799 securities, obligations, money, other property, rights to acquire interests or securities, or any  
9800 combination of the foregoing;

9801 (d) any proposed amendments to the certificate of organization or operating agreement

9802 that are, or are proposed to be, in a record of the acquired entity;

9803 (e) the other terms and conditions of the interest exchange; and

9804 (f) any other provision required by the law of this state or the operating agreement of  
9805 the acquired entity.

9806 (2) In addition to the requirements of Subsection (1), a plan of interest exchange may  
9807 contain any other provision not prohibited by law.

9808 Section 371. Section **48-3a-1033** is enacted to read:

9809 **48-3a-1033. Approval of interest exchange.**

9810 (1) A plan of interest exchange is not effective unless it has been approved:

9811 (a) by all the members of a domestic acquired limited liability company entitled to vote  
9812 on or consent to any matter; and

9813 (b) in a record, by each member of the domestic acquired limited liability company that  
9814 will have interest holder liability for debts, obligations, and other liabilities that arise after the  
9815 interest exchange becomes effective, unless:

9816 (i) the operating agreement of the limited liability company in a record provides for the  
9817 approval of an interest exchange or a merger in which some or all of its members become  
9818 subject to interest holder liability by the vote or consent of fewer than all the members; and

9819 (ii) the member consented in a record to or voted for that provision of the operating  
9820 agreement or became a member after the adoption of that provision.

9821 (2) An interest exchange involving a domestic acquired entity that is not a limited  
9822 liability company is not effective unless it is approved by the domestic entity in accordance  
9823 with its organic law.

9824 (3) An interest exchange involving a foreign acquired entity is not effective unless it is  
9825 approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of  
9826 formation.

9827 (4) Except as otherwise provided in its organic law or organic rules, the interest holders  
9828 of the acquiring entity are not required to approve the interest exchange.

9829 Section 372. Section **48-3a-1034** is enacted to read:

9830 **48-3a-1034. Amendment or abandonment of plan of interest exchange.**

9831 (1) A plan of interest exchange may be amended only with the consent of each party to  
9832 the plan, except as otherwise provided in the plan.

9833 (2) A domestic acquired limited liability company may approve an amendment of a  
9834 plan of interest exchange:

9835 (a) in the same manner as the plan was approved, if the plan does not provide for the  
9836 manner in which it may be amended; or

9837 (b) by the managers or members of the domestic acquired limited liability company in  
9838 the manner provided in the plan, but an interest holder that was entitled to vote on or consent to  
9839 approval of the interest exchange is entitled to vote on or consent to any amendment of the plan  
9840 that will change:

9841 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
9842 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
9843 the members of the acquired limited liability company under the plan;

9844 (ii) the certificate of organization or operating agreement of the acquired limited  
9845 liability company that will be in effect immediately after the interest exchange becomes  
9846 effective, except for changes that do not require approval of the members of the acquired  
9847 limited liability company under this chapter or the operating agreement; or

9848 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
9849 member in any material respect.

9850 (3) After a plan of interest exchange has been approved and before a statement of  
9851 interest exchange becomes effective, the plan may be abandoned as provided in the plan.

9852 Unless prohibited by the plan, a domestic acquired limited liability company may abandon the  
9853 plan in the same manner as the plan was approved.

9854 (4) If a plan of interest exchange is abandoned after a statement of interest exchange  
9855 has been delivered to the division for filing and before the statement becomes effective, a  
9856 statement of abandonment, signed by the acquired limited liability company, must be delivered  
9857 to the division for filing before the statement of interest exchange becomes effective. The

9858 statement of abandonment takes effect on filing, and the interest exchange is abandoned and  
9859 does not become effective. The statement of abandonment must contain:

9860 (a) the name of the acquired limited liability company;

9861 (b) the date on which the statement of interest exchange was delivered to the division  
9862 for filing; and

9863 (c) a statement that the interest exchange has been abandoned in accordance with this  
9864 section.

9865 Section 373. Section **48-3a-1035** is enacted to read:

9866 **48-3a-1035. Statement of interest exchange.**

9867 (1) A statement of interest exchange must be signed by a domestic acquired limited  
9868 liability company and delivered to the division for filing.

9869 (2) A statement of interest exchange must contain:

9870 (a) the name of the acquired limited liability company;

9871 (b) the name, jurisdiction of formation, and type of entity of the acquiring entity;

9872 (c) a statement that the plan of interest exchange was approved by the acquired limited  
9873 liability entity in accordance with Sections 48-3a-1031 through 48-3a-1036; and

9874 (d) any amendments to the acquired limited liability company's certificate of  
9875 organization approved as part of the plan of interest exchange.

9876 (3) In addition to the requirements of Subsection (2), a statement of interest exchange  
9877 may contain any other provision not prohibited by law.

9878 (4) A plan of interest exchange that is signed by a domestic acquired limited liability  
9879 company and meets all the requirements of Subsection (2) may be delivered to the division for  
9880 filing instead of a statement of interest exchange and on filing has the same effect. If a plan of  
9881 interest exchange is filed as provided in this Subsection (4), references in this part to a  
9882 statement of interest exchange refer to the plan of interest exchange filed under this Subsection  
9883 (4).

9884 Section 374. Section **48-3a-1036** is enacted to read:

9885 **48-3a-1036. Effect of interest exchange.**

9886 (1) When an interest exchange in which the acquired entity is a domestic limited  
9887 liability company becomes effective:

9888 (a) the interests in a domestic limited liability company that are the subject of the  
9889 interest exchange cease to exist or are converted or exchanged, and the members holding those  
9890 interests are entitled only to the rights provided to them under the plan of interest exchange and  
9891 to any appraisal rights they have under Section 48-3a-1008;

9892 (b) the acquiring entity becomes the interest holder of the interests in the acquired  
9893 limited liability company stated in the plan of interest exchange to be acquired by the acquiring  
9894 entity;

9895 (c) the certificate of organization of the acquired limited liability company is amended  
9896 as provided in the statement of interest exchange; and

9897 (d) the provisions of the operating agreement of the acquired limited liability company  
9898 that are to be in a record, if any, are amended to the extent provided in the plan of interest  
9899 exchange.

9900 (2) Except as otherwise provided in the operating agreement of a domestic acquired  
9901 limited liability company, the interest exchange does not give rise to any rights that a member,  
9902 manager, or third party would have upon a dissolution, liquidation, or winding up of the  
9903 acquired limited liability company.

9904 (3) When an interest exchange becomes effective, a person that did not have interest  
9905 holder liability with respect to a domestic acquired limited liability company and becomes  
9906 subject to interest holder liability with respect to a domestic entity as a result of the interest  
9907 exchange has interest holder liability only to the extent provided by the organic law of the  
9908 entity and only for those debts, obligations, and other liabilities that arise after the interest  
9909 exchange becomes effective.

9910 (4) When an interest exchange becomes effective, the interest holder liability of a  
9911 person that ceases to hold an interest in a domestic acquired limited liability company with  
9912 respect to which the person had interest holder liability is as follows:

9913 (a) The interest exchange does not discharge any interest holder liability to the extent

9914 the interest holder liability arose before the interest exchange became effective.

9915 (b) The person does not have interest holder liability for any debt, obligation, or other  
9916 liability that arises after the interest exchange becomes effective.

9917 (c) The person has whatever rights of contribution from any other person as are  
9918 provided by law other than this chapter, this chapter, or the operating agreement of the acquired  
9919 limited liability company with respect to any interest holder liability preserved under  
9920 Subsection (4)(a) as if the interest exchange had not occurred.

9921 Section 375. Section **48-3a-1041** is enacted to read:

9922 **48-3a-1041. Conversion authorized.**

9923 (1) By complying with Sections 48-3a-1041 through 48-3a-1046, a domestic limited  
9924 liability company may become:

9925 (a) a domestic entity that is a different type of entity; or

9926 (b) a foreign entity that is a different type of entity, if the conversion is authorized by  
9927 the law of the foreign jurisdiction.

9928 (2) By complying with the provisions of Sections 48-3a-1041 through 48-3a-1046  
9929 applicable to foreign entities, a foreign entity that is not a foreign limited liability company may  
9930 become a domestic limited liability company if the conversion is authorized by the law of the  
9931 foreign entity's jurisdiction of formation.

9932 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
9933 limited liability company but does not refer to a conversion, the provision applies to a  
9934 conversion of the entity as if the conversion were a merger until the provision is amended after  
9935 January 1, 2014.

9936 Section 376. Section **48-3a-1042** is enacted to read:

9937 **48-3a-1042. Plan of conversion.**

9938 (1) A domestic limited liability company may convert to a different type of entity under  
9939 Sections 48-3a-1041 through 48-3a-1046 by approving a plan of conversion. The plan must be  
9940 in a record and contain:

9941 (a) the name of the converting limited liability company;

9942 (b) the name, jurisdiction of formation, and type of entity of the converted entity;

9943 (c) the manner of converting the interests in the converting limited liability company

9944 into interests, securities, obligations, money, other property, rights to acquire interests or

9945 securities, or any combination of the foregoing;

9946 (d) the proposed public organic record of the converted entity if it will be a filing

9947 entity;

9948 (e) the full text of the private organic rules of the converted entity that are proposed to

9949 be in a record;

9950 (f) the other terms and conditions of the conversion; and

9951 (g) any other provision required by the law of this state or the operating agreement of

9952 the converting limited liability company.

9953 (2) In addition to the requirements of Subsection (1), a plan of conversion may contain

9954 any other provision not prohibited by law.

9955 Section 377. Section **48-3a-1043** is enacted to read:

9956 **48-3a-1043. Approval of conversion.**

9957 (1) A plan of conversion is not effective unless it has been approved:

9958 (a) by a domestic converting limited liability company by all the members of the

9959 limited liability company entitled to vote on or consent to any matter; and

9960 (b) in a record, by each member of a domestic converting limited liability company that

9961 will have interest holder liability for debts, obligations, and other liabilities that arise after the

9962 conversion becomes effective:

9963 (i) the operating agreement of the limited liability company provides in a record for the

9964 approval of a conversion or a merger in which some or all of its interest holders become subject

9965 to interest holder liability by the vote or consent of fewer than all the interest holders; and

9966 (ii) the member voted for or consented in a record to that provision of the operating

9967 agreement or became a member after the adoption of that provision.

9968 (2) A conversion involving a domestic converting entity that is not a limited liability

9969 company is not effective unless it is approved by the domestic converting entity in accordance

9970 with its organic law.

9971 (3) A conversion of a foreign converting entity is not effective unless it is approved by  
9972 the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

9973 Section 378. Section **48-3a-1044** is enacted to read:

9974 **48-3a-1044. Amendment or abandonment of plan of conversion.**

9975 (1) A plan of conversion of a domestic converting limited liability company may be  
9976 amended:

9977 (a) in the same manner as the plan was approved, if the plan does not provide for the  
9978 manner in which it may be amended; or

9979 (b) by the managers or members of the entity in the manner provided in the plan, but a  
9980 member that was entitled to vote on or consent to approval of the conversion is entitled to vote  
9981 on or consent to any amendment of the plan that will change:

9982 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
9983 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
9984 the interest holders of the converting entity under the plan;

9985 (ii) the public organic record or private organic rules of the converted entity that will be  
9986 in effect immediately after the conversion becomes effective, except for changes that do not  
9987 require approval of the interest holders of the converted entity under its organic law or organic  
9988 rules; or

9989 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
9990 interest holder in any material respect.

9991 (2) After a plan of conversion has been approved by a domestic converting limited  
9992 liability company and before a statement of conversion becomes effective, the plan may be  
9993 abandoned as provided in the plan. Unless prohibited by the plan, a domestic converting  
9994 limited liability company may abandon the plan in the same manner as the plan was approved.

9995 (3) If a plan of conversion is abandoned after a statement of conversion has been  
9996 delivered to the division for filing and before the statement of conversion becomes effective, a  
9997 statement of abandonment, signed by the converting entity, must be delivered to the division

- 9998 for filing before the time the statement of conversion becomes effective. The statement of  
9999 abandonment takes effect on filing, and the conversion is abandoned and does not become  
10000 effective. The statement of abandonment must contain:
- 10001 (a) the name of the converting limited liability company;  
10002 (b) the date on which the statement of conversion was delivered to the division for  
10003 filing; and
- 10004 (c) a statement that the conversion has been abandoned in accordance with this section.  
10005 Section 379. Section **48-3a-1045** is enacted to read:  
10006 **48-3a-1045. Statement of conversion.**
- 10007 (1) A statement of conversion must be signed by the converting entity and delivered to  
10008 the division for filing.
- 10009 (2) A statement of conversion must contain:
- 10010 (a) the name, jurisdiction of formation, and type of entity of the converting entity;  
10011 (b) the name, jurisdiction of formation, and type of entity of the converted entity;  
10012 (c) if the converting entity is a domestic entity, a statement that the plan of conversion  
10013 was approved in accordance with Sections 48-3a-1041 through 48-3a-1046 or, if the converting  
10014 entity is a foreign entity, a statement that the conversion was approved by the foreign  
10015 converting entity in accordance with the law of its jurisdiction of formation;
- 10016 (d) if the converted entity is a domestic filing entity, the text of its public organic  
10017 record, as an attachment;
- 10018 (e) if the converted entity is a domestic limited liability partnership, the text of its  
10019 statement of qualification, as an attachment; and
- 10020 (f) if the converted entity is a foreign entity that is not a registered foreign entity, a  
10021 mailing address to which the division may send any process served on the division pursuant to  
10022 Subsection 48-3a-1046(5).
- 10023 (3) In addition to the requirements of Subsection (2), a statement of conversion may  
10024 contain any other provision not prohibited by law.
- 10025 (4) If a converted entity is a domestic entity, its public organic record, if any, must

10026 satisfy the requirements of the law of this state, but the public organic record does not need to  
10027 be signed.

10028 (5) A plan of conversion that is signed by a domestic converting entity and meets all  
10029 the requirements of Subsection (2) may be delivered to the division for filing instead of a  
10030 statement of conversion and on filing has the same effect. If a plan of conversion is filed as  
10031 provided in this Subsection (5), references in this part to a statement of conversion refer to the  
10032 plan of conversion filed under this Subsection (5).

10033 Section 380. Section **48-3a-1046** is enacted to read:

10034 **48-3a-1046. Effect of conversion.**

10035 (1) When a conversion in which the converted entity is a domestic limited liability  
10036 company becomes effective:

10037 (a) the converted entity is:

10038 (i) organized under and subject to this chapter; and

10039 (ii) the same entity without interruption as the converting entity;

10040 (b) all property of the converting entity continues to be vested in the converted entity  
10041 without transfer, reversion, or impairment;

10042 (c) all debts, obligations, and other liabilities of the converting entity continue as debts,  
10043 obligations, and other liabilities of the converted entity;

10044 (d) except as otherwise provided by law or the plan of conversion, all the rights,  
10045 privileges, immunities, powers, and purposes of the converting entity remain in the converted  
10046 entity;

10047 (e) the name of the converted entity may be substituted for the name of the converting  
10048 entity in any pending action or proceeding;

10049 (f) the provisions of the operating agreement of the converted entity that are to be in a  
10050 record, if any, approved as part of the plan of conversion are effective; and

10051 (g) the interests in the converting entity are converted, and the interest holders of the  
10052 converting entity are entitled only to the rights provided to them under the plan of conversion  
10053 and to any appraisal rights they have under Section 48-3a-1008 and the converting entity's

10054 organic law.

10055 (2) Except as otherwise provided in the operating agreement of a domestic converting  
10056 limited liability company, the conversion does not give rise to any rights that a member,  
10057 manager, or third party would have upon a dissolution, liquidation, or winding up of the  
10058 converting entity.

10059 (3) When a conversion becomes effective, a person that did not have interest holder  
10060 liability with respect to the converting entity and becomes subject to interest holder liability  
10061 with respect to a domestic entity as a result of the conversion has interest holder liability only  
10062 to the extent provided by the organic law of the entity and only for those debts, obligations, and  
10063 other liabilities that arise after the conversion becomes effective.

10064 (4) When a conversion becomes effective, the interest holder liability of a person that  
10065 ceases to hold an interest in a domestic limited liability company with respect to which the  
10066 person had interest holder liability is as follows:

10067 (a) the conversion does not discharge any interest holder liability to the extent the  
10068 interest holder liability arose before the conversion became effective;

10069 (b) the person does not have interest holder liability for any debt, obligation, or other  
10070 liability that arises after the conversion becomes effective; and

10071 (c) the person has whatever rights of contribution from any other person as are  
10072 provided by law other than this chapter, this chapter, or the operating agreement of the  
10073 converting entity with respect to any interest holder liability preserved under Subsection (4)(a)  
10074 as if the conversion had not occurred.

10075 (5) When a conversion becomes effective, a foreign entity that is the converted entity  
10076 may be served with process in this state for the collection and enforcement of any of its debts,  
10077 obligations, and liabilities as provided in Section 16-17-301.

10078 (6) If the converting entity is a registered foreign entity, the registration to do business  
10079 in this state of the converting entity is canceled when the conversion becomes effective.

10080 (7) A conversion does not require the entity to wind up its affairs and does not  
10081 constitute or cause the dissolution of the entity.

10082 Section 381. Section **48-3a-1051** is enacted to read:

10083 **48-3a-1051. Domestication authorized.**

10084 (1) By complying with Sections 48-3a-1051 through 48-3a-1056, a domestic limited  
10085 liability company may become a foreign limited liability company if the domestication is  
10086 authorized by the law of the foreign jurisdiction.

10087 (2) By complying with the provisions of Sections 48-3a-1051 through 48-3a-1056  
10088 applicable to foreign limited liability companies, a foreign limited liability company may  
10089 become a domestic limited liability company if the domestication is authorized by the law of  
10090 the foreign limited liability company's jurisdiction of formation.

10091 (3) If a protected agreement contains a provision that applies to a merger of a domestic  
10092 limited liability company but does not refer to a domestication, the provision applies to a  
10093 domestication of the limited liability company as if the domestication were a merger until the  
10094 provision is amended after January 1, 2014.

10095 Section 382. Section **48-3a-1052** is enacted to read:

10096 **48-3a-1052. Plan of domestication.**

10097 (1) A domestic limited liability company may become a foreign limited liability  
10098 company in a domestication by approving a plan of domestication. The plan must be in a  
10099 record and contain:

10100 (a) the name of the domesticating limited liability company;

10101 (b) the name and jurisdiction of formation of the domesticated limited liability  
10102 company;

10103 (c) the manner of converting the interests in the domesticating limited liability  
10104 company into interests, securities, obligations, money, other property, rights to acquire interests  
10105 or securities, or any combination of the foregoing;

10106 (d) the proposed certificate of organization of the domesticated limited liability  
10107 company;

10108 (e) the full text of the provisions of the operating agreement of the domesticated  
10109 limited liability company that are proposed to be in a record;

10110 (f) the other terms and conditions of the domestication; and  
10111 (g) any other provision required by the law of this state or the operating agreement of  
10112 the domesticating limited liability company.

10113 (2) In addition to the requirements of Subsection (1), a plan of domestication may  
10114 contain any other provision not prohibited by law.

10115 Section 383. Section **48-3a-1053** is enacted to read:

10116 **48-3a-1053. Approval of domestication.**

10117 (1) A plan of domestication of a domestic domesticating limited liability company is  
10118 not effective unless it has been approved:

10119 (a) by all the members entitled to vote on or consent to any matter; and

10120 (b) in a record, by each member that will have interest holder liability for debts,  
10121 obligations, and other liabilities that arise after the domestication becomes effective, unless:

10122 (i) the operating agreement of the entity in a record provides for the approval of a  
10123 domestication or merger in which some or all of its members become subject to interest holder  
10124 liability by the vote or consent of fewer than all the members; and

10125 (ii) the member voted for or consented in a record to that provision of the operating  
10126 agreement or became an interest holder after the adoption of that provision.

10127 (2) A domestication of a foreign domesticating limited liability company is not  
10128 effective unless it is approved in accordance with the law of the foreign limited liability  
10129 company's jurisdiction of formation.

10130 Section 384. Section **48-3a-1054** is enacted to read:

10131 **48-3a-1054. Amendment or abandonment of plan of domestication.**

10132 (1) A plan of domestication of a domestic domesticating limited liability company may  
10133 be amended:

10134 (a) in the same manner as the plan was approved, if the plan does not provide for the  
10135 manner in which it may be amended; or

10136 (b) by the managers or members of the limited liability company in the manner  
10137 provided in the plan, but a member that was entitled to vote on or consent to approval of the

10138 domestication is entitled to vote on or consent to any amendment of the plan that will change:

10139 (i) the amount or kind of interests, securities, obligations, money, other property, rights  
10140 to acquire interests or securities, or any combination of the foregoing, to be received by any of  
10141 the interest holders of the domesticating limited liability company under the plan;

10142 (ii) the certificate of organization or operating agreement of the domesticated limited  
10143 liability company that will be in effect immediately after the domestication becomes effective,  
10144 except for changes that do not require approval of the members of the domesticated limited  
10145 liability company under its organic law or operating agreement; or

10146 (iii) any other terms or conditions of the plan, if the change would adversely affect the  
10147 interest holder in any material respect.

10148 (2) After a plan of domestication has been approved by a domestic domesticating  
10149 limited liability company and before a statement of domestication becomes effective, the plan  
10150 may be abandoned as provided in the plan. Unless prohibited by the plan, a domestic  
10151 domesticating limited liability company may abandon the plan in the same manner as the plan  
10152 was approved.

10153 (3) If a plan of domestication is abandoned after a statement of domestication has been  
10154 delivered to the division for filing and before the statement of domestication becomes effective,  
10155 a statement of abandonment, signed by the domesticating limited liability company, must be  
10156 delivered to the division for filing before the time the statement of domestication becomes  
10157 effective. The statement of abandonment takes effect on filing, and the domestication is  
10158 abandoned and does not become effective. The statement of abandonment must contain:

10159 (a) the name of the domesticating limited liability company;

10160 (b) the date on which the statement of domestication was delivered to the division for  
10161 filing; and

10162 (c) a statement that the domestication has been abandoned in accordance with this  
10163 section.

10164 Section 385. Section **48-3a-1055** is enacted to read:

10165 **48-3a-1055. Statement of domestication.**

10166           (1) A statement of domestication must be signed by the domesticating limited liability  
10167 company and delivered to the division for filing.

10168           (2) A statement of domestication must contain:

10169           (a) the name and jurisdiction of formation of the domesticating limited liability  
10170 company;

10171           (b) the name and jurisdiction of formation of the domesticated limited liability  
10172 company;

10173           (c) if the domesticating limited liability company is a domestic limited liability  
10174 company, a statement that the plan of domestication was approved in accordance with Sections  
10175 48-3a-1051 through 48-3a-1056 or, if the domesticating limited liability company is a foreign  
10176 limited liability company, a statement that the domestication was approved in accordance with  
10177 the law of its jurisdiction of formation;

10178           (d) the certificate of organization of the domesticated limited liability company, as an  
10179 attachment; and

10180           (e) if the domesticated foreign limited liability company is not a registered foreign  
10181 limited liability company, a mailing address to which the division may send any process served  
10182 on the division pursuant to Subsection 48-3a-1056(5).

10183           (3) In addition to the requirements of Subsection (2), a statement of domestication may  
10184 contain any other provision not prohibited by law.

10185           (4) The certificate of organization of a domesticated domestic limited liability company  
10186 must satisfy the requirements of the law of this state, but the certificate does not need to be  
10187 signed.

10188           (5) A plan of domestication that is signed by a domesticating domestic limited liability  
10189 company and meets all the requirements of Subsection (2) may be delivered to the division for  
10190 filing instead of a statement of domestication and on filing has the same effect. If a plan of  
10191 domestication is filed as provided in this Subsection (5), references in this part to a statement  
10192 of domestication refer to the plan of domestication filed under this Subsection (5).

10193           Section 386. Section **48-3a-1056** is enacted to read:

10194           **48-3a-1056. Effect of domestication.**  
10195           (1) When a domestication becomes effective:  
10196           (a) the domesticated limited liability company is:  
10197           (i) organized under and subject to the organic law of the domesticated limited liability  
10198 company; and  
10199           (ii) the same entity without interruption as the domesticating limited liability company;  
10200           (b) all property of the domesticating limited liability company continues to be vested in  
10201 the domesticated limited liability company without transfer, reversion, or impairment;  
10202           (c) all debts, obligations, and other liabilities of the domesticating limited liability  
10203 company continue as debts, obligations, and other liabilities of the domesticated limited  
10204 liability company;  
10205           (d) except as otherwise provided by law or the plan of domestication, all the rights,  
10206 privileges, immunities, powers, and purposes of the domesticating limited liability company  
10207 remain in the domesticated limited liability company;  
10208           (e) the name of the domesticated limited liability company may be substituted for the  
10209 name of the domesticating limited liability company in any pending action or proceeding;  
10210           (f) the certificate of organization of the domesticated limited liability company is  
10211 effective;  
10212           (g) the provisions of the operating agreement of the domesticated limited liability  
10213 company that are to be in a record, if any, approved as part of the plan of domestication are  
10214 effective; and  
10215           (h) the interests in the domesticating limited liability company are converted to the  
10216 extent and as approved in connection with the domestication, and the members of the  
10217 domesticating limited liability company are entitled only to the rights provided to them under  
10218 the plan of domestication and to any appraisal rights they have under Section 48-3a-1008.  
10219           (2) Except as otherwise provided in the organic law or operating agreement of the  
10220 domesticating limited liability company, the domestication does not give rise to any rights that  
10221 a member, manager, or third party would have upon a dissolution, liquidation, or winding up of

10222 the domesticating limited liability company.

10223 (3) When a domestication becomes effective, a person that did not have interest holder  
10224 liability with respect to the domesticating limited liability company and becomes subject to  
10225 interest holder liability with respect to a domestic limited liability company as a result of the  
10226 domestication has interest holder liability only to the extent provided by the organic law of the  
10227 domestic limited liability company and only for those debts, obligations, and other liabilities  
10228 that arise after the domestication becomes effective.

10229 (4) When a domestication becomes effective:

10230 (a) The domestication does not discharge any interest holder liability under this chapter  
10231 to the extent the interest holder liability arose before the domestication became effective.

10232 (b) A person does not have interest holder liability under this part for any debts,  
10233 obligations, and other liabilities that arise after the domestication becomes effective.

10234 (c) A person has whatever rights of contribution from any other person as are provided  
10235 by law other than this chapter, this chapter, or the operating agreement of a domestic  
10236 domesticating limited liability company with respect to any interest holder liability preserved  
10237 under Subsection (4)(a) as if the domestication had not occurred.

10238 (5) When a domestication becomes effective, a foreign limited liability company that is  
10239 the domesticated limited liability company may be served with process in this state for the  
10240 collection and enforcement of any of its debts, obligations, and liabilities as provided in  
10241 Section 16-17-301.

10242 (6) If the domesticating limited liability company is a registered foreign limited  
10243 liability company, the registration of the foreign limited liability company is canceled when the  
10244 domestication becomes effective.

10245 (7) A domestication does not require the limited liability company to wind up its affairs  
10246 and does not constitute or cause the dissolution of the company.

10247 Section 387. Section **48-3a-1101** is enacted to read:

10248 **Part 11. Professional Services Companies**

10249 **48-3a-1101. Definitions.**

- 10250           As used in this part:
- 10251           (1) "Professional services" means a personal service provided by:
- 10252           (a) a public accountant holding a license under Title 58, Chapter 26a, Certified Public
- 10253 Accountant Licensing Act, or a subsequent law regulating the practice of public accounting;
- 10254           (b) an architect holding a license under Title 58, Chapter 3a, Architects Licensing Act,
- 10255 or a subsequent law regulating the practice of architecture;
- 10256           (c) an attorney granted the authority to practice law by the:
- 10257           (i) Utah Supreme Court; or
- 10258           (ii) one or more of the following that licenses or regulates the authority to practice law
- 10259 in a state or territory of the United States other than Utah:
- 10260           (A) a supreme court;
- 10261           (B) a court other than a supreme court;
- 10262           (C) an agency;
- 10263           (D) an instrumentality; or
- 10264           (E) a regulating board;
- 10265           (d) a chiropractor holding a license under Title 58, Chapter 73, Chiropractic Physician
- 10266 Practice Act, or any subsequent law regulating the practice of chiropractics;
- 10267           (e) a doctor of dentistry holding a license under Title 58, Chapter 69, Dentist and
- 10268 Dental Hygienist Practice Act, or a subsequent law regulating the practice of dentistry;
- 10269           (f) a professional engineer registered under Title 58, Chapter 22, Professional
- 10270 Engineers and Professional Land Surveyors Licensing Act, or a subsequent law regulating the
- 10271 practice of engineers and land surveyors;
- 10272           (g) a naturopath holding a license under Title 58, Chapter 71, Naturopathic Physician
- 10273 Practice Act, or a subsequent law regulating the practice of naturopathy;
- 10274           (h) a nurse licensed under Title 58, Chapter 31b, Nurse Practice Act, or Title 58,
- 10275 Chapter 44a, Nurse Midwife Practice Act, or a subsequent law regulating the practice of
- 10276 nursing;
- 10277           (i) an optometrist holding a license under Title 58, Chapter 16a, Utah Optometry

10278 Practice Act, or a subsequent law regulating the practice of optometry;  
10279           (j) an osteopathic physician or surgeon holding a license under Title 58, Chapter 68,  
10280 Utah Osteopathic Medical Practice Act, or a subsequent law regulating the practice of  
10281 osteopathy;  
10282           (k) a pharmacist holding a license under Title 58, Chapter 17b, Pharmacy Practice Act,  
10283 or a subsequent law regulating the practice of pharmacy;  
10284           (l) a physician, surgeon, or doctor of medicine holding a license under Title 58,  
10285 Chapter 67, Utah Medical Practice Act, or a subsequent law regulating the practice of  
10286 medicine;  
10287           (m) a physical therapist holding a license under Title 58, Chapter 24b, Physical  
10288 Therapy Practice Act, or a subsequent law regulating the practice of physical therapy;  
10289           (n) a podiatric physician holding a license under Title 58, Chapter 5a, Podiatric  
10290 Physician Licensing Act, or a subsequent law regulating the practice of podiatry;  
10291           (o) a psychologist holding a license under Title 58, Chapter 61, Psychologist Licensing  
10292 Act, or any subsequent law regulating the practice of psychology;  
10293           (p) a principal broker, associate broker, or sales agent holding a license under Title 61,  
10294 Chapter 2f, Real Estate Licensing and Practices Act, or a subsequent law regulating the sale,  
10295 exchange, purchase, rental, or leasing of real estate;  
10296           (q) a clinical or certified social worker holding a license under Title 58, Chapter 60,  
10297 Part 2, Social Worker Licensing Act, or a subsequent law regulating the practice of social  
10298 work;  
10299           (r) a mental health therapist holding a license under Title 58, Chapter 60, Mental  
10300 Health Professional Practice Act, or a subsequent law regulating the practice of mental health  
10301 therapy;  
10302           (s) a veterinarian holding a license under Title 58, Chapter 28, Veterinary Practice Act,  
10303 or a subsequent law regulating the practice of veterinary medicine; or  
10304           (t) an individual licensed, certified, or registered under Title 61, Chapter 2g, Real  
10305 Estate Appraiser Licensing and Certification Act, or a subsequent law regulating the practice of

10306 appraising real estate.

10307 (2) "Regulating board" means the entity organized pursuant to state law that licenses  
10308 and regulates the practice of the profession that a limited liability company is organized to  
10309 provide.

10310 Section 388. Section **48-3a-1102** is enacted to read:

10311 **48-3a-1102. Application of this part.**

10312 (1) If a conflict arises between this part and another provision of this chapter, this part  
10313 controls.

10314 (2) Notwithstanding the other provisions of this part, on and after January 1, 2016:

10315 (a) a professional services company may not designate series of transferable interests;

10316 and

10317 (b) a limited liability company may not form a professional services company as a  
10318 series of the limited liability company.

10319 Section 389. Section **48-3a-1103** is enacted to read:

10320 **48-3a-1103. Additional requirements for certificate of organization.**

10321 The certificate of organization of a professional services company shall:

10322 (1) comply with Section 48-3a-201; and

10323 (2) contain the following:

10324 (a) a name consistent with Section 48-3a-1104;

10325 (b) a description of the profession to be practiced through the professional services  
10326 company; and

10327 (c) notwithstanding Section 48-3a-201, the name and street address of each member or  
10328 manager of the professional services company.

10329 Section 390. Section **48-3a-1104** is enacted to read:

10330 **48-3a-1104. Name limitations.**

10331 (1) The name of a domestic professional services company and of a foreign  
10332 professional services company authorized to transact business in this state, in addition to  
10333 complying with Sections 48-3a-108 and 48-3a-906:

- 10334 (a) may not contain language stating or implying that it is formed for a purpose other  
10335 than that authorized by:
- 10336 (i) its certificate of organization; or  
10337 (ii) Section 48-3a-1106;
- 10338 (b) must conform with any rule made by the regulating board having jurisdiction over a  
10339 professional service described in the professional services company's certificate of  
10340 organization; and
- 10341 (c) in lieu of the requirement of Subsection 48-3a-108(1), must contain the words  
10342 "professional limited liability company" or the abbreviations "P.L.L.C." or "PLLC" in:
- 10343 (i) its certificate of organization; and  
10344 (ii) a report or document filed with the division.
- 10345 (2) Notwithstanding Subsection (1)(c), a professional services company may hold itself  
10346 out to the public under a name that does not contain the words "professional limited liability  
10347 company" or the abbreviations "P.L.L.C." or "PLLC" if that name complies with Subsection  
10348 48-3a-108(1).
- 10349 (3) Sections 48-3a-108 and 48-3a-906 do not prevent the use of a name otherwise  
10350 prohibited by those sections if the name is:
- 10351 (a) the personal name of an individual member or individual former member of the  
10352 professional services company; or
- 10353 (b) the name of an individual who was associated with a predecessor of the  
10354 professional services company.
- 10355 Section 391. Section **48-3a-1105** is enacted to read:
- 10356 **48-3a-1105. Providing a professional service.**
- 10357 (1) Subject to Section 48-3a-1106, a professional services company may provide a  
10358 professional service in this state only through an individual licensed or otherwise authorized in  
10359 this state to provide the professional service.
- 10360 (2) Subsection (1) does not:
- 10361 (a) require an individual employed by a professional services company to be licensed

10362 to perform a service for the professional services company if a license is not otherwise  
10363 required;

10364 (b) prohibit a licensed individual from providing a professional service in the  
10365 individual's professional capacity although the individual is a member, manager, employee, or  
10366 agent of a professional services company; or

10367 (c) prohibit an individual licensed in another state from providing a professional  
10368 service for a professional services company in this state if not prohibited by the regulating  
10369 board.

10370 Section 392. Section **48-3a-1106** is enacted to read:

10371 **48-3a-1106. Limit of one profession.**

10372 (1) A professional services company organized to provide a professional service under  
10373 this part may provide only:

10374 (a) one specific type of professional service; and

10375 (b) services ancillary to the professional service described in Subsection (1)(a).

10376 (2) A professional services company organized to provide a professional service under  
10377 this part may not engage in a business other than to provide:

10378 (a) the professional service that it was organized to provide; and

10379 (b) services ancillary to the professional service described in Subsection (2)(a).

10380 (3) Notwithstanding Subsections (1) and (2), a professional services company may:

10381 (a) own real and personal property necessary or appropriate for providing the type of  
10382 professional service it was organized to provide; and

10383 (b) invest the professional services company's money in one or more of the following:

10384 (i) real estate;

10385 (ii) mortgages;

10386 (iii) stocks;

10387 (iv) bonds; or

10388 (v) another type of investment.

10389 Section 393. Section **48-3a-1107** is enacted to read:

10390 **48-3a-1107. Activity limitations.**

10391 A professional services company may not do anything that an individual licensed to  
10392 practice the profession that the professional services company is organized to provide is  
10393 prohibited from doing.

10394 Section 394. Section **48-3a-1108** is enacted to read:

10395 **48-3a-1108. This part does not limit regulating board.**

10396 This part does not restrict the authority or duty of a regulating board to license an  
10397 individual providing a professional service or the practice of the profession that is within the  
10398 jurisdiction of the regulating board, notwithstanding that the individual:

10399 (1) is a member, manager, or employee of a professional services company; or

10400 (2) provides the professional service or engages in the practice of the profession  
10401 through a professional services company.

10402 Section 395. Section **48-3a-1109** is enacted to read:

10403 **48-3a-1109. Member or manager of a professional services company.**

10404 A professional services company organized to provide a professional service:

10405 (1) may include a member, manager, or employee who is authorized under the laws of  
10406 the jurisdiction where the member, manager, or employee resides to provide a similar  
10407 professional service;

10408 (2) may include a member who is not licensed or registered by the state to provide the  
10409 professional service to the extent allowed by the applicable licensing or registration act relating  
10410 to the professional service; and

10411 (3) may render a professional service in this state only through a member, manager, or  
10412 employee who is licensed or registered by this state to render the professional service.

10413 Section 396. Section **48-3a-1110** is enacted to read:

10414 **48-3a-1110. Restriction on transfer by member.**

10415 (1) Except as provided in Subsections (2) and (3), a member of a professional services  
10416 company may sell or transfer the member's interest in the professional services company only  
10417 to:

10418 (a) the professional services company; or  
10419 (b) an individual who is licensed or registered by this state to provide the same type of  
10420 professional service as the professional service for which the professional services company is  
10421 organized, or who otherwise satisfies the requirements of Subsection 48-3a-1109(1) or (2).

10422 (2) Upon the death or incapacity of a member of a professional services company, the  
10423 member's interest in the professional services company may be transferred to the personal  
10424 representative or estate of the deceased or incapacitated member.

10425 (3) The person to whom an interest is transferred under Subsection (2) may continue to  
10426 hold the interest for a reasonable period, but may not participate in a decision concerning the  
10427 providing of a professional service.

10428 Section 397. Section **48-3a-1111** is enacted to read:

10429 **48-3a-1111. Purchase of interest upon death, incapacity, or disqualification of**  
10430 **member.**

10431 (1) Subject to this part, one or more of the following may provide for the purchase of a  
10432 member's interest in a professional services company upon the death, incapacity, or  
10433 disqualification of the member:

- 10434 (a) the certificate of organization;
- 10435 (b) the operating agreement; or
- 10436 (c) a private agreement.

10437 (2) In the absence of a provision described in Subsection (1), a professional services  
10438 company shall purchase the interest of a member who is deceased, incapacitated, or no longer  
10439 qualified to own an interest in the professional services company within 90 days after the day  
10440 on which the professional services company is notified of the death, incapacity, or  
10441 disqualification.

10442 (3) If a professional services company purchases a member's interest under Subsection  
10443 (2), the professional services company shall purchase the interest at a price that is the  
10444 reasonable fair market value as of the date of death, incapacity, or disqualification.

10445 (4) If a professional services company fails to purchase a member's interest as required

10446 by Subsection (2) at the end of the 90-day period described in Subsection (2), one of the  
10447 following may bring an action in the district court of the county in which the principal office or  
10448 place of practice of the professional services company is located to enforce Subsection (2):

10449 (a) the personal representative of a deceased member;

10450 (b) the guardian or conservator of an incapacitated member; or

10451 (c) the disqualified member.

10452 (5) A court in which an action is brought under Subsection (4) may:

10453 (a) award the person bringing the action the reasonable fair market value of the  
10454 interest; or

10455 (b) within its jurisdiction, order the liquidation of the professional services company.

10456 (6) If a person described in Subsections (4)(a) through (c) is successful in an action  
10457 under Subsection (4), the court shall award the person reasonable attorney's fees and costs.

10458 Section 398. Section **48-3a-1112** is enacted to read:

10459 **48-3a-1112. Conversion to nonprofessional company.**

10460 (1) A professional services company subject to this part converts into a limited liability  
10461 company subject to this chapter, but not subject to this part on the day on which:

10462 (a) no member of the professional services company is licensed or registered for the  
10463 professional service for which the professional services company is organized; or

10464 (b) all members entitled to vote on or consent to any matter consent not to be a  
10465 professional services company subject to this part.

10466 (2) A professional services company converted as provided in Subsection (1) shall  
10467 upon the event described in Subsection (1) operate as and be treated as a limited liability  
10468 company subject to this chapter, but not subject to this part.

10469 (3) A limited liability company resulting from a conversion under this section may  
10470 reconvert to a professional services company:

10471 (a) upon at least one member of the limited liability company being licensed or  
10472 registered for the professional service for which the limited liability company is organized; and

10473 (b) each member of the limited liability company entitled to vote on or consent to any

10474 matter consents to reconvert the limited liability company to a professional services company  
10475 subject to this part.

10476 (4) If a professional services company is converted or reconverted under this section,  
10477 the professional services company shall file a certificate of amendment to the certificate of  
10478 organization with the division within a reasonable time after the conversion or reconversion to  
10479 reflect the changes.

10480 Section 399. Section **48-3a-1201** is enacted to read:

10481 **Part 12. Series Limited Liability Companies**

10482 **48-3a-1201. Series of transferable interests.**

10483 (1) An operating agreement may establish or provide for the establishment of a  
10484 designated series of transferable interests having separate rights, powers, or duties with respect  
10485 to specified property or obligations of the limited liability company or profits and losses  
10486 associated with specified property or obligations, and, to the extent provided in the operating  
10487 agreement, any such series may have a separate business purpose or investment objective. The  
10488 name of each series must contain the name of the limited liability company and be  
10489 distinguishable from the name of any other series.

10490 (2) Notwithstanding contrary provisions of this chapter, the debts, liabilities, and  
10491 obligations incurred, contracted for, or otherwise existing with respect to a particular series  
10492 shall be enforceable against the assets of that series only, and not against the assets of the  
10493 limited liability company generally or any other series, if all of the following apply:

10494 (a) the series is established by or in accordance with the operating agreement;  
10495 (b) separate and distinct records are maintained for the series;  
10496 (c) the assets associated with the series are held and accounted for separately from the  
10497 other assets of the limited liability company, including another series;

10498 (d) the operating agreement or the agreement establishing the series provides for the  
10499 limitation on liabilities of the series; and

10500 (e) notice of the limitation on liability of the series is set forth in the limited liability  
10501 company's certificate of organization in accordance with Section 48-3a-1202.

10502 (3) A series meeting all of the conditions of Subsection (2) shall:

10503 (a) be treated as a separate entity to the extent set forth in the certificate of  
10504 organization; and

10505 (b) have the power and capacity to, in its own name, contract, hold title to property,  
10506 grant liens and security interests, and sue and be sued.

10507 (4) Notwithstanding the other provisions of this section:

10508 (a) property and assets of a series may not be transferred to the limited liability  
10509 company generally or another series if the transfer impairs the ability of the series releasing the  
10510 property or assets to pay its debts existing at the time of the transfer unless fair value is given to  
10511 the transferring series for the property or assets transferred; and

10512 (b) a tax or other liability of the limited liability company generally or of a series may  
10513 not be assigned by the series against which the tax or other liability is imposed to the limited  
10514 liability company generally or to another series within the limited liability company if the  
10515 assignment impairs a creditor's right and ability to fully collect an amount due when owed.

10516 (5) Notwithstanding the other provisions of this part:

10517 (a) a professional services company may not designate a series of transferable interests;  
10518 and

10519 (b) a limited liability company may not form a professional services company as a  
10520 series of the limited liability company.

10521 (6) Except to the extent modified by this part, the provisions of this chapter which are  
10522 generally applicable to a limited liability company, and its managers, members, and transferees,  
10523 shall be applicable to each series with respect to the operations of such a series.

10524 Section 400. Section **48-3a-1202** is enacted to read:

10525 **48-3a-1202. Notice of limitation on liability of a series.**

10526 (1) Notice in a limited liability company's certificate of organization of the limitation  
10527 on liabilities of a series as referenced in Subsection 48-3a-1201(2)(e) is sufficient for all  
10528 purposes of this part whether or not the limited liability company has established a series at the  
10529 time the notice is included in the certificate of organization.

10530           (2) The notice of a limitation on liability of a series as referenced in Subsection  
10531 48-3a-1201(2)(e) is not required to reference a specific series.

10532           (3) The filing by the division of the certificate of organization containing a notice of  
10533 the limitation on liabilities of a series constitutes notice of the limitation on liabilities of the  
10534 series.

10535           Section 401. Section **48-3a-1203** is enacted to read:

10536           **48-3a-1203. Agreement to be liable.**

10537           Notwithstanding Section 48-3a-304, or a contrary provision in an operating agreement,  
10538 a member or manager may agree to be obligated personally for any or all of the debts,  
10539 obligations, or liabilities of one or more series.

10540           Section 402. Section **48-3a-1204** is enacted to read:

10541           **48-3a-1204. Series related provisions in operating agreement.**

10542           (1) An operating agreement may provide for classes or groups of members or managers  
10543 associated with a series having such relative rights, powers, and duties as the operating  
10544 agreement may provide.

10545           (2) The operating agreement may provide for the future creation of additional classes  
10546 or groups of members or managers associated with the series having such relative rights,  
10547 powers, and duties as may from time to time be established, including rights, powers, and  
10548 duties senior to existing classes and groups of members or managers associated with the series.

10549           (3) An operating agreement may provide for the taking of an action, including the  
10550 amendment of the operating agreement, without the vote or approval of any member or  
10551 manager or class or group of members or managers, including all action to create under the  
10552 provisions of the operating agreement a class or group of the series of membership interests  
10553 that was not previously outstanding.

10554           (4) An operating agreement may provide that any member or class or group of  
10555 members associated with a series does not have voting rights.

10556           (5) An operating agreement may grant to all or certain identified members or managers  
10557 or a specified class or group of the members or managers associated with a series the right to

10558 vote on any matter separately or with all or any class or group of the members or managers  
10559 associated with the series. Voting by members or managers associated with a series may be on  
10560 any basis including:

- 10561 (a) a per capita basis;
- 10562 (b) a number basis;
- 10563 (c) on the basis of a financial interest; or
- 10564 (d) by class or group.

10565 Section 403. Section **48-3a-1205** is enacted to read:

10566 **48-3a-1205. Management of a series.**

10567 (1) A series is member-managed unless the operating agreement:

- 10568 (a) expressly provides that:
  - 10569 (i) the series is or will be "manager-managed";
  - 10570 (ii) the series is or will be "managed by managers"; or
  - 10571 (iii) management of the series is or will be "vested in managers"; or
- 10572 (b) includes words of similar import.

10573 (2) In a member-managed series, unless modified pursuant to Section 48-3a-1204, the  
10574 following rules apply:

- 10575 (a) The management and conduct of the series are vested in the members of the series.
- 10576 (b) Each series member has equal rights in the management and conduct of the series'  
10577 activities.
- 10578 (c) A difference arising among series members as to a matter in the ordinary course of  
10579 the activities of the series shall be decided by a majority of the series members.
- 10580 (d) An act outside the ordinary course of the activities of the series may be undertaken  
10581 only with the consent of all members of the series.

10582 (e) The operating agreement may be amended only with the consent of all members of  
10583 the series.

10584 (3) In a manager-managed series, the following rules apply:

- 10585 (a) Except as otherwise expressly provided in this chapter, any matter relating to the

10586 activities of the series is decided exclusively by the managers of the series.

10587 (b) Each series manager has equal rights in the management and conduct of the  
10588 activities of the series.

10589 (c) A difference arising among managers of a series as to a matter in the ordinary  
10590 course of the activities of the series shall be decided by a majority of the managers of the series.

10591 (d) Unless modified pursuant to Section 48-3a-1204, the consent of all members of the  
10592 series is required to:

10593 (i) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the series'  
10594 property, with or without the goodwill, outside the ordinary course of the series' activities;

10595 (ii) approve a transaction under Part 10, Merger, Interest Exchange, Conversion, and  
10596 Domestication;

10597 (iii) undertake any other act outside the ordinary course of the series' activities; and

10598 (iv) amend the operating agreement as it pertains to the series.

10599 (e) A manager of the series may be chosen at any time by the consent of a majority of  
10600 the members of the series and remains a manager of the series until a successor has been  
10601 chosen, unless the series manager at an earlier time resigns, is removed, or dies, or, in the case  
10602 of a series manager that is not an individual, terminates. A series manager may be removed at  
10603 any time by the consent of a majority of the members without notice or cause.

10604 (f) A person need not be a series member to be a manager of a series, but the  
10605 dissociation of a series member that is also a series manager removes the person as a manager  
10606 of the series. If a person that is both a series manager and a series member ceases to be a  
10607 manager of the series, that cessation does not by itself dissociate the person as a member of the  
10608 series.

10609 (g) A person's ceasing to be a series manager does not discharge any debt, obligation,  
10610 or other liability to the series or members of the series which the person incurred while a  
10611 manager of the series.

10612 (4) An action requiring the consent of members of a series under this chapter may be  
10613 taken without a meeting, and a member of a series may appoint a proxy or other agent to

10614 consent or otherwise act for the series member by signing an appointing record, personally or  
10615 by the series member's agent.

10616 (5) The dissolution of a series does not affect the applicability of this section.  
10617 However, a person that wrongfully causes dissolution of the series loses the right to participate  
10618 in management as a series member and a series manager.

10619 (6) This chapter does not entitle a member of a series to remuneration for services  
10620 performed for a member-managed series, except for reasonable compensation for services  
10621 rendered in winding up the activities of the series.

10622 Section 404. Section **48-3a-1206** is enacted to read:

10623 **48-3a-1206. Series distributions.**

10624 (1) Any distribution made by a series before its dissolution and winding up must be in  
10625 equal shares among the series members and dissociated series members, except to the extent  
10626 necessary to comply with any transfer effective under Section 48-3a-502 and any charging  
10627 order in effect under Section 48-3a-503.

10628 (2) A person has a right to a distribution before the dissolution and winding up of a  
10629 series only if the series decides to make an interim distribution. A person's dissociation with  
10630 respect to a series does not entitle the person to a distribution.

10631 (3) A person does not have a right to demand or receive a distribution from a series in  
10632 any form other than money. Except as otherwise provided in Subsection 48-3a-711(3), a series  
10633 may distribute an asset in kind if each part of the asset is fungible with each other part and each  
10634 person receives a percentage of the asset equal in value to the person's share of distributions.

10635 (4) If a series member or transferee becomes entitled to receive a distribution, the series  
10636 member or transferee has the status of, and is entitled to all remedies available to, a creditor of  
10637 the series with respect to the distribution. However, the series' obligation to make a  
10638 distribution is subject to offset for any amounts owed to the series by the member or a person  
10639 dissociated as a member on whose account the distribution is made.

10640 (5) A series may not make a distribution if after the distribution:

10641 (a) the series would not be able to pay its debts as they become due in the ordinary

10642 course of the series' activities; or

10643 (b) the series' total assets would be less than the sum of its total liabilities plus the  
10644 amount that would be needed, if the series were to be dissolved, wound up, and terminated at  
10645 the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and  
10646 termination of members whose preferential rights are superior to those of persons receiving the  
10647 distribution.

10648 (6) A series may base a determination that a distribution is not prohibited under  
10649 Subsection (5) on financial statements prepared on the basis of accounting practices and  
10650 principles that are reasonable in the circumstances or on a fair valuation or other method that is  
10651 reasonable under the circumstances.

10652 (7) Except as otherwise provided in Subsection (9), the effect of a distribution under  
10653 Subsection (5) is measured:

10654 (a) in the case of a distribution by purchase, redemption, or other acquisition of a  
10655 transferable interest in the series, as of the date money or other property is transferred or debt  
10656 incurred by the series; or

10657 (b) in all other cases, as of the date:

10658 (i) the distribution is authorized, if the payment occurs within 120 days after that date;

10659 or

10660 (ii) the payment is made, if the payment occurs more than 120 days after the  
10661 distribution is authorized.

10662 (8) A series' indebtedness to a series member incurred by reason of a distribution made  
10663 in accordance with this section is at parity with the series' indebtedness to its general,  
10664 unsecured creditors.

10665 (9) A series' indebtedness, including indebtedness issued in connection with or as part  
10666 of a distribution, is not a liability for purposes of Subsection (5) if the terms of the indebtedness  
10667 provide that payment of principal and interest are made only to the extent that a distribution  
10668 could be made to members of the series under this section. If such indebtedness is issued as a  
10669 distribution, each payment of principal or interest on the indebtedness is treated as a

10670 distribution, the effect of which is measured on the date the payment is made.

10671 (10) Except as otherwise provided in Subsection (11), if a member of a  
10672 member-managed series or manager of a manager-managed series consents to a distribution  
10673 made in violation of this section and in consenting to the distribution fails to comply with  
10674 Section 48-3a-409, the member or manager is personally liable to the series for the amount of  
10675 the distribution that exceeds the amount that could have been distributed without the violation  
10676 of this section.

10677 (11) To the extent the operating agreement of a member-managed series expressly  
10678 relieves a series member of the authority and responsibility to consent to distributions and  
10679 imposes that authority and responsibility on one or more other members of the series, the  
10680 liability stated in Subsection (10) applies to the other members of the series and not the  
10681 member of the series that the operating agreement relieves of authority and responsibility.

10682 (12) A person that receives a distribution from a series knowing that the distribution to  
10683 that person was made in violation of this section is personally liable to the limited liability  
10684 company but only to the extent that the distribution received by the person exceeded the  
10685 amount that could have been properly paid under this section.

10686 (13) A person against which an action is commenced because the person is liable under  
10687 Subsection (10) may:

10688 (a) implead any other person that is liable under Subsection (10) and seek to compel  
10689 contribution from the person; and

10690 (b) implead any person that received a distribution in violation of Subsection (12) and  
10691 seek to compel contribution from the person in the amount the person received in violation of  
10692 Subsection (12).

10693 (14) An action under this section is barred if not commenced within two years after the  
10694 distribution.

10695 Section 405. Section **48-3a-1207** is enacted to read:

10696 **48-3a-1207. Events causing dissociation from a series.**

10697 (1) Unless otherwise provided in the operating agreement, a member ceases to be

10698 associated with a series and to have the power to exercise a right or power of a member with  
10699 respect to the series upon the assignment of all of the member's transferable interest in the  
10700 limited liability company with respect to the series.

10701 (2) Unless otherwise provided in an operating agreement, an event under this chapter  
10702 or the operating agreement that causes a member to cease to be associated with a series does  
10703 not, by itself:

10704 (a) cause the member to cease to be associated with another series;

10705 (b) terminate the continued membership of a member in the limited liability company;

10706 or

10707 (c) cause the termination of the series, regardless of whether the member is the last  
10708 remaining member associated with the series.

10709 Section 406. Section **48-3a-1208** is enacted to read:

10710 **48-3a-1208. Dissolution of a series.**

10711 (1) Except to the extent otherwise provided in the operating agreement, a series may be  
10712 dissolved and its affairs wound up without causing the dissolution of the limited liability  
10713 company.

10714 (2) The dissolution of a series does not affect the limitation on liabilities of the series  
10715 under Section 48-3a-1201.

10716 (3) A series is dissolved and its affairs shall be wound up upon the dissolution of the  
10717 limited liability company under Section 48-3a-701 or upon the occurrence of any of the events  
10718 described in Section 48-3a-701, as applied to the series.

10719 (4) Notwithstanding Section 48-3a-703, unless otherwise provided in the operating  
10720 agreement, any of the following persons may wind up the affairs of a dissolved series:

10721 (a) a manager associated with a series who has not wrongfully caused the dissolution of  
10722 the series;

10723 (b) if there is no manager that satisfies the requirements of Subsection (4)(a), the

10724 members associated with the series who have not wrongfully caused the dissolution of the

10725 series or a person approved by the members associated with the series who have not wrongfully

10726 caused the dissolution of the series; or

10727 (c) if there is more than one class or group of members associated with the series, then  
10728 by each class or group of members associated with the series, in either case, by members who  
10729 have not wrongfully caused the dissolution of the series, and either:

10730 (i) own more than 50% of the transferable interests of the series owned by members  
10731 associated with the series who have not wrongfully caused the dissolution of the series; or

10732 (ii) own more than 50% of the transferable interests of each class or group associated  
10733 with the series owned by members associated with the series who have not wrongfully caused  
10734 the dissolution of the series.

10735 (5) The persons winding up the affairs of a series, in the name of the series and for and  
10736 on behalf of the series, may take all actions with respect to the series as are permitted under  
10737 Section 48-3a-703 for a limited liability company. The persons winding up the affairs of a  
10738 series shall provide for the claims and obligations of the series as provided in Section  
10739 48-3a-711 for a limited liability company and distribute the assets of the series as provided in  
10740 Section 48-3a-711 for a limited liability company. An action taken pursuant to this Subsection  
10741 (5) may not affect the liability of a member and may not impose liability on a liquidating  
10742 trustee.

10743 Section 407. Section **48-3a-1209** is enacted to read:

10744 **48-3a-1209. Foreign limited liability company -- Series.**

10745 A foreign limited liability company that is registered to do business in this state that is  
10746 governed by an operating agreement that establishes or provides for the establishment of a  
10747 series of transferable interests having separate rights, powers, or duties with respect to specified  
10748 property or obligations of the foreign limited liability company, or profits and losses associated  
10749 with the specified property or obligations, shall indicate that fact on the foreign registration  
10750 statement filed by the division. In addition, the foreign limited liability company shall state on  
10751 the foreign registration statement whether the debts, liabilities, and obligations incurred,  
10752 contracted for, or otherwise existing with respect to a particular series, if any, are enforceable  
10753 against the assets of such series only, and not against the assets of the foreign limited liability

10754 company generally or any other series. Notice in a foreign limited liability company's foreign  
10755 registration statement of the limitation on liability of a series as referenced in this section shall  
10756 have the same effect found in Section 48-3a-1202 as a notice of limitation on liability of a  
10757 series set forth in a limited liability company's certificate of organization.

10758 Section 408. Section **48-3a-1301** is enacted to read:

10759 **Part 13. Low-Profit Limited Liability Companies**

10760 **48-3a-1301. Application of this part.**

10761 If a conflict arises between this part and another provision of this chapter, this part  
10762 controls.

10763 Section 409. Section **48-3a-1302** is enacted to read:

10764 **48-3a-1302. Requirements.**

10765 (1) To be a low-profit limited liability company, a limited liability company shall:

10766 (a) contain in its name the abbreviation "L3C" or "l3c";

10767 (b) state in its certificate of organization that it is a low-profit limited liability  
10768 company;

10769 (c) organize under this chapter; and

10770 (d) be organized for a business purpose that satisfies, and at all times operates to satisfy  
10771 each of the requirements under Subsection (2).

10772 (2) A low-profit limited liability company:

10773 (a) shall significantly further the accomplishment of one or more charitable or  
10774 educational purposes within the meaning of Section 170(c)(2)(B), Internal Revenue Code;

10775 (b) shall demonstrate that it would not be formed but for the limited liability company's  
10776 relationship to the accomplishment of a charitable or educational purpose;

10777 (c) subject to Subsection (3), may not have as a significant purpose the production of  
10778 income or the appreciation of property; and

10779 (d) may not have as a purpose to accomplish one or more political or legislative  
10780 purposes within the meaning of Section 170(c)(2)(D), Internal Revenue Code.

10781 (3) Notwithstanding Subsection (2), if a low-profit limited liability company produces

10782 significant income or capital appreciation, in the absence of other factors, the fact that the  
10783 low-profit limited liability company produces significant income or capital appreciation is not  
10784 conclusive evidence of a significant purpose involving the production of income or the  
10785 appreciation of property.

10786 Section 410. Section **48-3a-1303** is enacted to read:

10787 **48-3a-1303. Ceasing to be a low-profit limited liability company.**

10788 (1) If a limited liability company that is a low-profit limited liability company at its  
10789 formation at any time ceases to meet a requirement to be a low-profit limited liability company  
10790 under Section 48-3a-1302, the limited liability company:

10791 (a) ceases to be a low-profit limited liability company on the day on which the limited  
10792 liability company no longer meets the requirement; and

10793 (b) if it continues to meet the requirements of this chapter to be a limited liability  
10794 company, continues to exist as a limited liability company that is not a low-profit limited  
10795 liability company.

10796 (2) A low-profit limited liability company's failure to meet a requirement of Section  
10797 48-3a-1302 may be:

10798 (a) voluntary, in order to convert to a limited liability company that is not a low-profit  
10799 limited liability company; or

10800 (b) involuntary.

10801 (3) If a low-profit limited liability company ceases to be a low-profit limited liability  
10802 company in accordance with this section, the limited liability company shall:

10803 (a) change its name to conform with Section 48-3a-108; and

10804 (b) amend its certificate of organization in accordance with Section 48-3a-202.

10805 Section 411. Section **48-3a-1304** is enacted to read:

10806 **48-3a-1304. Merger, interest exchange, conversion, or domestication of a**  
10807 **low-profit limited liability company.**

10808 A low-profit limited liability company may engage in a merger, interest exchange,  
10809 conversion, or domestication under Part 10, Merger, Interest Exchange, Conversion, and

10810 Domestication, to the same extent as a limited liability company that is not a low-profit limited  
10811 liability company.

10812 Section 412. Section **48-3a-1401** is enacted to read:

10813 **Part 14. Miscellaneous Provisions**

10814 **48-3a-1401. Uniformity of application and construction.**

10815 In applying and construing this chapter, consideration must be given to the need to  
10816 promote uniformity of the law with respect to its subject matter among states that enact the  
10817 uniform act upon which this chapter is based.

10818 Section 413. Section **48-3a-1402** is enacted to read:

10819 **48-3a-1402. Severability clause.**

10820 If any provision of this chapter or its application to any person or circumstance is held  
10821 invalid, the invalidity does not affect other provisions or applications of this chapter which can  
10822 be given effect without the invalid provision or application, and to this end the provisions of  
10823 this chapter are severable.

10824 Section 414. Section **48-3a-1403** is enacted to read:

10825 **48-3a-1403. Relation to Electronic Signatures in Global and National Commerce**  
10826 **Act.**

10827 This chapter modifies, limits, and supersedes the Electronic Signatures in Global and  
10828 National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede  
10829 Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of any of the  
10830 notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

10831 Section 415. Section **48-3a-1404** is enacted to read:

10832 **48-3a-1404. Savings clause.**

10833 This chapter does not affect an action commenced, proceeding brought, or right accrued  
10834 before this chapter takes effect.

10835 Section 416. Section **48-3a-1405** is enacted to read:

10836 **48-3a-1405. Application to existing relationships.**

10837 (1) Before January 1, 2016, this chapter governs only:

10838 (a) a limited liability company formed on or after January 1, 2014; and  
10839 (b) except as otherwise provided in Subsection (3), a limited liability company formed  
10840 before January 1, 2014, which elects, in the manner provided in its operating agreement or by  
10841 law for amending the operating agreement, to be subject to this chapter.

10842 (2) Except as otherwise provided in Subsection (3), on and after January 1, 2016, this  
10843 chapter governs all limited liability companies.

10844 (3) For the purposes of applying this chapter to a limited liability company formed  
10845 before January 1, 2014:

10846 (a) the limited liability company's articles of organization are deemed to be the limited  
10847 liability company's certificate of organization;

10848 (b) for the purposes of applying Subsection 48-3a-102(15) and subject to Subsection  
10849 48-3a-114(4), language in the limited liability company's articles of organization designating  
10850 the limited liability company's management structure operates as if that language were in the  
10851 operating agreement; and

10852 (c) the limited liability company has perpetual duration unless otherwise stated in the  
10853 limited liability company's articles of organization.

10854 Section 417. Section **53C-1-201 (Effective 05/01/13) (Sup 07/01/13)** is amended to  
10855 read:

10856 **53C-1-201 (Effective 05/01/13) (Sup 07/01/13). Creation of administration --**  
10857 **Purpose -- Director.**

10858 (1) (a) There is established within state government the School and Institutional Trust  
10859 Lands Administration.

10860 (b) The administration shall manage all school and institutional trust lands and assets  
10861 within the state, except as otherwise provided in Title 53C, Chapter 3, Deposit and Allocation  
10862 of Revenue from Trust Lands, and Sections 51-7a-201 and 51-7a-202.

10863 (2) The administration is an independent state agency and not a division of any other  
10864 department.

10865 (3) (a) It is subject to the usual legislative and executive department controls except as

10866 provided in this Subsection (3).

10867           (b) (i) The director may make rules as approved by the board that allow the  
10868 administration to classify a business proposal submitted to the administration as protected  
10869 under Section 63G-2-305, for as long as is necessary to evaluate the proposal.

10870           (ii) The administration shall return the proposal to the party who submitted the  
10871 proposal, and incur no further duties under Title 63G, Chapter 2, Government Records Access  
10872 and Management Act, if the administration determines not to proceed with the proposal.

10873           (iii) The administration shall classify the proposal pursuant to law if it decides to  
10874 proceed with the proposal.

10875           (iv) Section 63G-2-403 does not apply during the review period.

10876           (c) The director shall make rules in compliance with Title 63G, Chapter 3, Utah  
10877 Administrative Rulemaking Act, except that the administration is not subject to Subsections  
10878 63G-3-301(6) and (7) and Section 63G-3-601, and the director, with the board's approval, may  
10879 establish a procedure for the expedited approval of rules, based on written findings by the  
10880 director showing:

10881           (i) the changes in business opportunities affecting the assets of the trust;

10882           (ii) the specific business opportunity arising out of those changes which may be lost  
10883 without the rule or changes to the rule;

10884           (iii) the reasons the normal procedures under Section 63G-3-301 cannot be met without  
10885 causing the loss of the specific opportunity;

10886           (iv) approval by at least five board members; and

10887           (v) that the director has filed a copy of the rule and a rule analysis, stating the specific  
10888 reasons and justifications for its findings, with the Division of Administrative Rules and  
10889 notified interested parties as provided in Subsection 63G-3-301(10).

10890           (d) (i) The administration shall comply with Title 67, Chapter 19, Utah State Personnel  
10891 Management Act, except as provided in this Subsection (3)(d).

10892           (ii) The board may approve, upon recommendation of the director, that exemption for  
10893 specific positions under Subsections 67-19-12(2) and 67-19-15(1) is required in order to enable

10894 the administration to efficiently fulfill its responsibilities under the law. The director shall  
10895 consult with the executive director of the Department of Human Resource Management prior  
10896 to making such a recommendation.

10897 (iii) The positions of director, deputy director, associate director, assistant director,  
10898 legal counsel appointed under Section 53C-1-305, administrative assistant, and public affairs  
10899 officer are exempt under Subsections 67-19-12(2) and 67-19-15(1).

10900 (iv) Salaries for exempted positions, except for the director, shall be set by the director,  
10901 after consultation with the executive director of the Department of Human Resource  
10902 Management, within ranges approved by the board. The board and director shall consider  
10903 salaries for similar positions in private enterprise and other public employment when setting  
10904 salary ranges.

10905 (v) The board may create an annual incentive and bonus plan for the director and other  
10906 administration employees designated by the board, based upon the attainment of financial  
10907 performance goals and other measurable criteria defined and budgeted in advance by the board.

10908 (e) The administration shall comply with Title 63G, Chapter 6a, Utah Procurement  
10909 Code, except where the board approves, upon recommendation of the director, exemption from  
10910 the Utah Procurement Code, and simultaneous adoption of rules under Title 63G, Chapter 3,  
10911 Utah Administrative Rulemaking Act, for procurement, which enable the administration to  
10912 efficiently fulfill its responsibilities under the law.

10913 (f) (i) Except as provided in Subsection (3)(f)(ii), the administration is not subject to  
10914 the fee agency requirements of Section 63J-1-504.

10915 (ii) The following fees of the administration are subject to the requirements of Section  
10916 63J-1-504: application, assignment, amendment, affidavit for lost documents, name change,  
10917 reinstatement, grazing nonuse, extension of time, partial conveyance, patent reissue, collateral  
10918 assignment, electronic payment, and processing.

10919 (4) The administration is managed by a director of school and institutional trust lands  
10920 appointed by a majority vote of the board of trustees with the consent of the governor.

10921 (5) (a) The board of trustees shall provide policies for the management of the

10922 administration and for the management of trust lands and assets.

10923 (b) The board shall provide policies for the ownership and control of Native American  
10924 remains that are discovered or excavated on school and institutional trust lands in consultation  
10925 with the Division of Indian Affairs and giving due consideration to Title 9, Chapter 9, Part 4,  
10926 Native American Grave Protection and Repatriation Act. The director may make rules in  
10927 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement  
10928 policies provided by the board regarding Native American remains.

10929 (6) In connection with joint ventures and other transactions involving trust lands and  
10930 minerals approved under Sections 53C-1-303 and 53C-2-401, the administration, with board  
10931 approval, may become a member of a limited liability company under Title 48, Chapter 2c,  
10932 Utah Revised Limited Liability Company Act, or Title 48, Chapter [2c] 3a, Utah Revised  
10933 Uniform Limited Liability Company Act, as appropriate pursuant to Section 48-3a-1405 and is  
10934 considered a person under Section 48-2c-102 or Section 48-3a-102.

10935 Section 418. Section **61-2f-401 (Effective 07/01/13)** is amended to read:

10936 **61-2f-401 (Effective 07/01/13). Grounds for disciplinary action.**

10937 The following acts are unlawful for a person licensed or required to be licensed under  
10938 this chapter:

10939 (1) (a) making a substantial misrepresentation;

10940 (b) making an intentional misrepresentation;

10941 (c) pursuing a continued and flagrant course of misrepresentation;

10942 (d) making a false representation or promise through an agent, sales agent, advertising,  
10943 or otherwise; or

10944 (e) making a false representation or promise of a character likely to influence,  
10945 persuade, or induce;

10946 (2) acting for more than one party in a transaction without the informed consent of the  
10947 parties;

10948 (3) (a) acting as an associate broker or sales agent while not affiliated with a principal  
10949 broker;

- 10950 (b) representing or attempting to represent a principal broker other than the principal  
10951 broker with whom the person is affiliated; or
- 10952 (c) representing as sales agent or having a contractual relationship similar to that of  
10953 sales agent with a person other than a principal broker;
- 10954 (4) (a) failing, within a reasonable time, to account for or to remit money that belongs  
10955 to another and comes into the person's possession;
- 10956 (b) commingling money described in Subsection (4)(a) with the person's own money;  
10957 or
- 10958 (c) diverting money described in Subsection (4)(a) from the purpose for which the  
10959 money is received;
- 10960 (5) paying or offering to pay valuable consideration, as defined by the commission, to a  
10961 person not licensed under this chapter, except that valuable consideration may be shared:
- 10962 (a) with a principal broker of another jurisdiction; or  
10963 (b) as provided under:
- 10964 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act;  
10965 (ii) Title 16, Chapter 11, Professional Corporation Act; or  
10966 (iii) Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title 48,  
10967 Chapter [3] 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate pursuant  
10968 to Section 48-3a-1405;
- 10969 (6) being incompetent to act as a principal broker, associate broker, or sales agent in  
10970 such manner as to safeguard the interests of the public;
- 10971 (7) failing to voluntarily furnish a copy of a document to the parties before and after the  
10972 execution of a document;
- 10973 (8) failing to keep and make available for inspection by the division a record of each  
10974 transaction, including:
- 10975 (a) the names of buyers and sellers or lessees and lessors;  
10976 (b) the identification of real estate;  
10977 (c) the sale or rental price;

- 10978 (d) money received in trust;
- 10979 (e) agreements or instructions from buyers and sellers or lessees and lessors; and
- 10980 (f) any other information required by rule;
- 10981 (9) failing to disclose, in writing, in the purchase, sale, or rental of real estate, whether
- 10982 the purchase, sale, or rental is made for that person or for an undisclosed principal;
- 10983 (10) being convicted of a criminal offense involving moral turpitude within five years
- 10984 of the most recent application:
  - 10985 (a) regardless of whether the criminal offense is related to real estate; and
  - 10986 (b) including:
    - 10987 (i) a conviction based upon a plea of nolo contendere; or
    - 10988 (ii) a plea held in abeyance to a criminal offense involving moral turpitude;
  - 10989 (11) advertising the availability of real estate or the services of a licensee in a false,
  - 10990 misleading, or deceptive manner;
  - 10991 (12) in the case of a principal broker or a licensee who is a branch manager, failing to
  - 10992 exercise reasonable supervision over the activities of the principal broker's or branch manager's
  - 10993 licensed or unlicensed staff;
  - 10994 (13) violating or disregarding:
    - 10995 (a) this chapter;
    - 10996 (b) an order of the commission; or
    - 10997 (c) the rules adopted by the commission and the division;
  - 10998 (14) breaching a fiduciary duty owed by a licensee to the licensee's principal in a real
  - 10999 estate transaction;
  - 11000 (15) any other conduct which constitutes dishonest dealing;
  - 11001 (16) unprofessional conduct as defined by statute or rule;
  - 11002 (17) having one of the following suspended, revoked, surrendered, or cancelled on the
  - 11003 basis of misconduct in a professional capacity that relates to character, honesty, integrity, or
  - 11004 truthfulness:
    - 11005 (a) a real estate license, registration, or certificate issued by another jurisdiction; or

- 11006 (b) another license, registration, or certificate to engage in an occupation or profession
- 11007 issued by this state or another jurisdiction;
- 11008 (18) failing to respond to a request by the division in an investigation authorized under
- 11009 this chapter, including:
  - 11010 (a) failing to respond to a subpoena;
  - 11011 (b) withholding evidence; or
  - 11012 (c) failing to produce documents or records;
- 11013 (19) in the case of a dual licensed title licensee as defined in Section 31A-2-402:
  - 11014 (a) providing a title insurance product or service without the approval required by
  - 11015 Section 31A-2-405; or
  - 11016 (b) knowingly providing false or misleading information in the statement required by
  - 11017 Subsection 31A-2-405(2);
- 11018 (20) violating an independent contractor agreement between a principal broker and a
- 11019 sales agent or associate broker as evidenced by a final judgment of a court; or
- 11020 (21) (a) engaging in an act of loan modification assistance that requires licensure as a
- 11021 mortgage officer under Chapter 2c, Utah Residential Mortgage Practices and Licensing Act,
- 11022 without being licensed under that chapter;
  - 11023 (b) engaging in an act of foreclosure rescue without entering into a written agreement
  - 11024 specifying what one or more acts of foreclosure rescue will be completed;
  - 11025 (c) inducing a person who is at risk of foreclosure to hire the licensee to engage in an
  - 11026 act of foreclosure rescue by:
    - 11027 (i) suggesting to the person that the licensee has a special relationship with the person's
    - 11028 lender or loan servicer; or
    - 11029 (ii) falsely representing or advertising that the licensee is acting on behalf of:
      - 11030 (A) a government agency;
      - 11031 (B) the person's lender or loan servicer; or
      - 11032 (C) a nonprofit or charitable institution; or
      - 11033 (d) recommending or participating in a foreclosure rescue that requires a person to:

11034 (i) transfer title to real estate to the licensee or to a third-party with whom the licensee  
11035 has a business relationship or financial interest;

11036 (ii) make a mortgage payment to a person other than the person's loan servicer; or

11037 (iii) refrain from contacting the person's:

11038 (A) lender;

11039 (B) loan servicer;

11040 (C) attorney;

11041 (D) credit counselor; or

11042 (E) housing counselor.

11043 Section 419. Section **61-2g-103 (Effective 07/01/13)** is amended to read:

11044 **61-2g-103 (Effective 07/01/13). Other law unaffected.**

11045 This chapter may not be considered to prohibit a person licensed, certified, or registered  
11046 under this chapter from engaging in the practice of real estate appraising as a professional  
11047 corporation or a limited liability company in accordance with:

11048 (1) Title 16, Chapter 11, Professional Corporation Act; or

11049 (2) Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, or Title 48,

11050 Chapter [3] 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate pursuant  
11051 to Section 48-3a-1405.

11052 Section 420. Section **63I-2-248** is enacted to read:

11053 **63I-2-248. Repeal dates -- Title 48.**

11054 (1) Title 48, Chapter 1, General and Limited Liability Partnerships, is repealed January  
11055 1, 2016.

11056 (2) Title 48, Chapter 2a, Utah Revised Uniform Limited Partnership Act, is repealed  
11057 January 1, 2016.

11058 (3) Title 48, Chapter 2c, Utah Revised Limited Liability Company Act, is repealed  
11059 January 1, 2016.

11060 Section 421. Section **75-7-1011 (Effective 07/01/13)** is amended to read:

11061 **75-7-1011 (Effective 07/01/13). Interest as general partner.**

11062 (1) Except as otherwise provided in Subsection (3) or unless personal liability is  
11063 imposed in the contract, a trustee who holds an interest as a general partner in a general or  
11064 limited partnership is not personally liable on a contract entered into by the partnership after  
11065 the trust's acquisition of the interest if the fiduciary capacity was disclosed in the contract or in  
11066 a statement previously filed pursuant to Title 48, Chapter 2a, Utah Revised Uniform Limited  
11067 Partnership Act, or Title 48, Chapter [2d] 2e, Utah Uniform Limited Partnership Act, as  
11068 appropriate pursuant to Section 48-2e-1205.

11069 (2) Except as otherwise provided in Subsection (3), a trustee who holds an interest as a  
11070 general partner is not personally liable for torts committed by the partnership or for obligations  
11071 arising from ownership or control of the interest unless the trustee is personally at fault.

11072 (3) The immunity provided by this section does not apply if an interest in the  
11073 partnership is held by the trustee in a capacity other than that of trustee or is held by the  
11074 trustee's spouse or one or more of the trustee's descendants, siblings, or parents, or the spouse  
11075 of any of them.

11076 (4) If the trustee of a revocable trust holds an interest as a general partner, the settlor is  
11077 personally liable for contracts and other obligations of the partnership as if the settlor were a  
11078 general partner.

11079 Section 422. **Repealer.**

11080 This bill repeals:

11081 **Laws of Utah 2011, Chapter 353, Uncodified Section 310, Repealer, which**  
11082 **repealed Title 48, Chapters 1, 2a, and 2c; and the effect of which is to reinstate sections in**  
11083 **Title 48, Chapters 1, 2a, and 2c, which will continue to be in effect.**

11084 Section 423. **Repealer.**

11085 This bill repeals:

11086 Section **48-1a-101 (Effective 07/01/13), Title.**

11087 Section **48-1a-102 (Effective 07/01/13), Definitions.**

11088 Section **48-1b-101 (Effective 07/01/13), Title -- Definitions.**

11089 Section **48-1b-102 (Effective 07/01/13), Knowledge and notice.**

- 11090           Section **48-1b-103** (Effective 07/01/13), **Effect of partnership agreement --**
- 11091 **Nonwaivable provisions.**
- 11092           Section **48-1b-104** (Effective 07/01/13), **Supplemental principles of law.**
- 11093           Section **48-1b-105** (Effective 07/01/13), **Execution, filing, and recording of**
- 11094 **statements.**
- 11095           Section **48-1b-106** (Effective 07/01/13), **Governing law.**
- 11096           Section **48-1b-107** (Effective 07/01/13), **Partnership subject to amendment or**
- 11097 **repeal of chapter.**
- 11098           Section **48-1b-201** (Effective 07/01/13), **Partnership as entity.**
- 11099           Section **48-1b-202** (Effective 07/01/13), **Formation of partnership.**
- 11100           Section **48-1b-203** (Effective 07/01/13), **Partnership property.**
- 11101           Section **48-1b-204** (Effective 07/01/13), **When property is partnership property.**
- 11102           Section **48-1b-301** (Effective 07/01/13), **Partner agent of partnership.**
- 11103           Section **48-1b-302** (Effective 07/01/13), **Transfer of partnership property.**
- 11104           Section **48-1b-303** (Effective 07/01/13), **Statement of partnership authority.**
- 11105           Section **48-1b-304** (Effective 07/01/13), **Statement of denial.**
- 11106           Section **48-1b-305** (Effective 07/01/13), **Partnership liable for partner's actionable**
- 11107 **conduct.**
- 11108           Section **48-1b-306** (Effective 07/01/13), **Partner's liability.**
- 11109           Section **48-1b-307** (Effective 07/01/13), **Actions by and against partnership and**
- 11110 **partners.**
- 11111           Section **48-1b-308** (Effective 07/01/13), **Liability of purported partner.**
- 11112           Section **48-1b-401** (Effective 07/01/13), **Partner's rights and duties.**
- 11113           Section **48-1b-402** (Effective 07/01/13), **Distributions in kind.**
- 11114           Section **48-1b-403** (Effective 07/01/13), **Partner's rights and duties with respect to**
- 11115 **information.**
- 11116           Section **48-1b-404** (Effective 07/01/13), **General standards of partner's conduct.**
- 11117           Section **48-1b-405** (Effective 07/01/13), **Actions by partnership and partners.**

- 11118 Section **48-1b-406** (Effective 07/01/13), Continuation of partnership beyond  
11119 **definite term or particular undertaking.**
- 11120 Section **48-1b-501** (Effective 07/01/13), Partner not co-owner of partnership  
11121 **property.**
- 11122 Section **48-1b-502** (Effective 07/01/13), Partner's transferable interest in  
11123 **partnership.**
- 11124 Section **48-1b-503** (Effective 07/01/13), Transfer of partner's transferable interest.
- 11125 Section **48-1b-504** (Effective 07/01/13), Partner's transferable interest subject to  
11126 **charging order.**
- 11127 Section **48-1b-601** (Effective 07/01/13), Events causing partner's dissociation.
- 11128 Section **48-1b-602** (Effective 07/01/13), Partner's power to dissociate -- Wrongful  
11129 **dissociation.**
- 11130 Section **48-1b-603** (Effective 07/01/13), Effect of partner's dissociation.
- 11131 Section **48-1b-701** (Effective 07/01/13), Purchase of dissociated partner's interest.
- 11132 Section **48-1b-702** (Effective 07/01/13), Dissociated partner's power to bind and  
11133 **liability to partnership.**
- 11134 Section **48-1b-703** (Effective 07/01/13), Dissociated partner's liability to other  
11135 **persons.**
- 11136 Section **48-1b-704** (Effective 07/01/13), Statement of dissociation.
- 11137 Section **48-1b-705** (Effective 07/01/13), Continued use of partnership name.
- 11138 Section **48-1b-801** (Effective 07/01/13), Events causing dissolution and winding up  
11139 **of partnership business.**
- 11140 Section **48-1b-802** (Effective 07/01/13), Partnership continues after dissolution.
- 11141 Section **48-1b-803** (Effective 07/01/13), Right to wind up partnership business.
- 11142 Section **48-1b-804** (Effective 07/01/13), Partner's power to bind partnership after  
11143 **dissolution.**
- 11144 Section **48-1b-805** (Effective 07/01/13), Statement of dissolution.
- 11145 Section **48-1b-806** (Effective 07/01/13), Partner's liability to other partners after

- 11146 **dissolution.**
- 11147       Section **48-1b-807 (Effective 07/01/13), Settlement of accounts and contributions**
- 11148 **among partners.**
- 11149       Section **48-1b-901 (Effective 07/01/13), Definitions.**
- 11150       Section **48-1b-902 (Effective 07/01/13), Merger.**
- 11151       Section **48-1b-903 (Effective 07/01/13), Action on plan of merger by constituent**
- 11152 **partnership.**
- 11153       Section **48-1b-904 (Effective 07/01/13), Filings required and permitted for merger**
- 11154 **-- Effective date.**
- 11155       Section **48-1b-905 (Effective 07/01/13), Effect of merger.**
- 11156       Section **48-1b-906 (Effective 07/01/13), Conversion.**
- 11157       Section **48-1b-907 (Effective 07/01/13), Action on plan of conversion by converting**
- 11158 **partnership.**
- 11159       Section **48-1b-908 (Effective 07/01/13), Filings required for conversion -- Effective**
- 11160 **date.**
- 11161       Section **48-1b-909 (Effective 07/01/13), Effect of conversion.**
- 11162       Section **48-1b-910 (Effective 07/01/13), Domestication.**
- 11163       Section **48-1b-911 (Effective 07/01/13), Action on plan of domestication by**
- 11164 **domesticating partnership.**
- 11165       Section **48-1b-912 (Effective 07/01/13), Filings required for domestication --**
- 11166 **Effective date.**
- 11167       Section **48-1b-913 (Effective 07/01/13), Effect of domestication.**
- 11168       Section **48-1b-914 (Effective 07/01/13), Restrictions on approval of mergers,**
- 11169 **conversions, and domestications.**
- 11170       Section **48-1b-915 (Effective 07/01/13), Part not exclusive.**
- 11171       Section **48-1b-1001 (Effective 07/01/13), Statement of qualification.**
- 11172       Section **48-1b-1002 (Effective 07/01/13), Name.**
- 11173       Section **48-1b-1003 (Effective 07/01/13), Annual report.**

- 11174 Section **48-1b-1004** (Effective 07/01/13), **Limited liability partnership providing**  
11175 **professional services.**
- 11176 Section **48-1b-1101** (Effective 07/01/13), **Law governing foreign limited liability**  
11177 **partnership.**
- 11178 Section **48-1b-1102** (Effective 07/01/13), **Statement of foreign qualification.**
- 11179 Section **48-1b-1102.1** (Effective 07/01/13), **Noncomplying name of foreign limited**  
11180 **liability partnership.**
- 11181 Section **48-1b-1103** (Effective 07/01/13), **Effect of failure to qualify.**
- 11182 Section **48-1b-1104** (Effective 07/01/13), **Activities not constituting transacting**  
11183 **business.**
- 11184 Section **48-1b-1105** (Effective 07/01/13), **Action by attorney general.**
- 11185 Section **48-1b-1201** (Effective 07/01/13), **Uniformity of application and**  
11186 **construction.**
- 11187 Section **48-1b-1202** (Effective 07/01/13), **Relation to electronic signatures in global**  
11188 **and national commerce act.**
- 11189 Section **48-1b-1203** (Effective 07/01/13), **Severability clause.**
- 11190 Section **48-1b-1204** (Effective 07/01/13), **Savings clause.**
- 11191 Section **48-1b-1205** (Effective 07/01/13), **Applicability.**
- 11192 Section **48-2d-101** (Effective 07/01/13), **Title.**
- 11193 Section **48-2d-102** (Effective 07/01/13), **Definitions.**
- 11194 Section **48-2d-103** (Effective 07/01/13), **Knowledge and notice.**
- 11195 Section **48-2d-104** (Effective 07/01/13), **Nature, purpose, and duration of entity.**
- 11196 Section **48-2d-105** (Effective 07/01/13), **Powers.**
- 11197 Section **48-2d-106** (Effective 07/01/13), **Governing law.**
- 11198 Section **48-2d-107** (Effective 07/01/13), **Supplemental principles of law -- Rate of**  
11199 **interest.**
- 11200 Section **48-2d-108** (Effective 07/01/13), **Name.**
- 11201 Section **48-2d-109** (Effective 07/01/13), **Reservation of name.**

- 11202           Section **48-2d-110 (Effective 07/01/13), Effect of partnership agreement --**
- 11203 **Nonwaivable provisions.**
- 11204           Section **48-2d-111 (Effective 07/01/13), Required information.**
- 11205           Section **48-2d-112 (Effective 07/01/13), Business transactions of partner with**
- 11206 **partnership.**
- 11207           Section **48-2d-113 (Effective 07/01/13), Dual capacity.**
- 11208           Section **48-2d-114 (Effective 07/01/13), Consent and proxies of partners.**
- 11209           Section **48-2d-201 (Effective 07/01/13), Formation of limited partnership --**
- 11210 **Certificate of limited partnership.**
- 11211           Section **48-2d-202 (Effective 07/01/13), Amendment or restatement of certificate.**
- 11212           Section **48-2d-203 (Effective 07/01/13), Statement of termination.**
- 11213           Section **48-2d-204 (Effective 07/01/13), Signing of records.**
- 11214           Section **48-2d-205 (Effective 07/01/13), Signing and filing pursuant to judicial**
- 11215 **order.**
- 11216           Section **48-2d-206 (Effective 07/01/13), Delivery to and filing of records by division**
- 11217 **-- Effective time and date.**
- 11218           Section **48-2d-207 (Effective 07/01/13), Correcting filed record.**
- 11219           Section **48-2d-208 (Effective 07/01/13), Liability for false information in filed**
- 11220 **record.**
- 11221           Section **48-2d-209 (Effective 07/01/13), Certificate of existence or authorization.**
- 11222           Section **48-2d-210 (Effective 07/01/13), Annual report for division.**
- 11223           Section **48-2d-301 (Effective 07/01/13), Becoming limited partner.**
- 11224           Section **48-2d-302 (Effective 07/01/13), No right or power as limited partner to**
- 11225 **bind limited partnership.**
- 11226           Section **48-2d-303 (Effective 07/01/13), No liability as limited partner for limited**
- 11227 **partnership obligations.**
- 11228           Section **48-2d-304 (Effective 07/01/13), Right of limited partner and former limited**
- 11229 **partner to information.**

- 11230 Section **48-2d-305 (Effective 07/01/13), Limited duties of limited partners.**
- 11231 Section **48-2d-306 (Effective 07/01/13), Person erroneously believing self to be**  
11232 **limited partner.**
- 11233 Section **48-2d-401 (Effective 07/01/13), Becoming general partner.**
- 11234 Section **48-2d-402 (Effective 07/01/13), General partner agent of limited**  
11235 **partnership.**
- 11236 Section **48-2d-403 (Effective 07/01/13), Limited partnership liable for general**  
11237 **partner's actionable conduct.**
- 11238 Section **48-2d-404 (Effective 07/01/13), General partner's liability.**
- 11239 Section **48-2d-405 (Effective 07/01/13), Actions by and against partnership and**  
11240 **partners.**
- 11241 Section **48-2d-406 (Effective 07/01/13), Management rights of general partner.**
- 11242 Section **48-2d-407 (Effective 07/01/13), Right of general partner and former**  
11243 **general partner to information.**
- 11244 Section **48-2d-408 (Effective 07/01/13), General standards of general partner's**  
11245 **conduct.**
- 11246 Section **48-2d-501 (Effective 07/01/13), Form of contribution.**
- 11247 Section **48-2d-502 (Effective 07/01/13), Liability for contribution.**
- 11248 Section **48-2d-503 (Effective 07/01/13), Sharing of distributions.**
- 11249 Section **48-2d-504 (Effective 07/01/13), Interim distributions.**
- 11250 Section **48-2d-505 (Effective 07/01/13), No distribution on account of dissociation.**
- 11251 Section **48-2d-506 (Effective 07/01/13), Distribution in kind.**
- 11252 Section **48-2d-507 (Effective 07/01/13), Right to distribution.**
- 11253 Section **48-2d-508 (Effective 07/01/13), Limitations on distribution.**
- 11254 Section **48-2d-509 (Effective 07/01/13), Liability for improper distributions.**
- 11255 Section **48-2d-601 (Effective 07/01/13), Dissociation as limited partner.**
- 11256 Section **48-2d-602 (Effective 07/01/13), Effect of dissociation as limited partner.**
- 11257 Section **48-2d-603 (Effective 07/01/13), Dissociation as general partner.**

- 11258           Section **48-2d-604** (Effective 07/01/13), **Person's power to dissociate as general**
- 11259 **partner -- Wrongful dissociation.**
- 11260           Section **48-2d-605** (Effective 07/01/13), **Effect of dissociation as general partner.**
- 11261           Section **48-2d-606** (Effective 07/01/13), **Power to bind and liability to limited**
- 11262 **partnership before dissolution of partnership of person dissociated as general partner.**
- 11263           Section **48-2d-607** (Effective 07/01/13), **Liability to other persons of person**
- 11264 **dissociated as general partner.**
- 11265           Section **48-2d-701** (Effective 07/01/13), **Partner's transferable interest.**
- 11266           Section **48-2d-702** (Effective 07/01/13), **Transfer of partner's transferable interest.**
- 11267           Section **48-2d-703** (Effective 07/01/13), **Rights of creditor of partner or transferee.**
- 11268           Section **48-2d-704** (Effective 07/01/13), **Power of estate of deceased partner.**
- 11269           Section **48-2d-801** (Effective 07/01/13), **Nonjudicial dissolution.**
- 11270           Section **48-2d-802** (Effective 07/01/13), **Judicial dissolution.**
- 11271           Section **48-2d-803** (Effective 07/01/13), **Winding up.**
- 11272           Section **48-2d-804** (Effective 07/01/13), **Power of general partner and person**
- 11273 **dissociated as general partner to bind partnership after dissolution.**
- 11274           Section **48-2d-805** (Effective 07/01/13), **Liability after dissolution of general**
- 11275 **partner and person dissociated as general partner to limited partnership, other general**
- 11276 **partners, and persons dissociated as general partner.**
- 11277           Section **48-2d-806** (Effective 07/01/13), **Known claims against dissolved limited**
- 11278 **partnership.**
- 11279           Section **48-2d-807** (Effective 07/01/13), **Other claims against dissolved limited**
- 11280 **partnership.**
- 11281           Section **48-2d-808** (Effective 07/01/13), **Liability of general partner and person**
- 11282 **dissociated as general partner when claim against limited partnership barred.**
- 11283           Section **48-2d-809** (Effective 07/01/13), **Administrative dissolution.**
- 11284           Section **48-2d-810** (Effective 07/01/13), **Reinstatement following administrative**
- 11285 **dissolution.**

- 11286           Section **48-2d-811** (Effective 07/01/13), **Appeal from denial of reinstatement.**
- 11287           Section **48-2d-812** (Effective 07/01/13), **Disposition of assets -- When contributions**
- 11288 **required.**
- 11289           Section **48-2d-901** (Effective 07/01/13), **Governing law.**
- 11290           Section **48-2d-902** (Effective 07/01/13), **Application for certificate of authority.**
- 11291           Section **48-2d-903** (Effective 07/01/13), **Activities not constituting transacting**
- 11292 **business.**
- 11293           Section **48-2d-904** (Effective 07/01/13), **Filing of certificate of authority.**
- 11294           Section **48-2d-905** (Effective 07/01/13), **Noncomplying name of foreign limited**
- 11295 **partnership.**
- 11296           Section **48-2d-906** (Effective 07/01/13), **Revocation of certificate of authority.**
- 11297           Section **48-2d-907** (Effective 07/01/13), **Cancellation of certificate of authority --**
- 11298 **Effect of failure to have certificate.**
- 11299           Section **48-2d-908** (Effective 07/01/13), **Action by attorney general.**
- 11300           Section **48-2d-1001** (Effective 07/01/13), **Direct action by partner.**
- 11301           Section **48-2d-1002** (Effective 07/01/13), **Derivative action.**
- 11302           Section **48-2d-1003** (Effective 07/01/13), **Proper plaintiff.**
- 11303           Section **48-2d-1004** (Effective 07/01/13), **Pleading.**
- 11304           Section **48-2d-1005** (Effective 07/01/13), **Proceeds and expenses.**
- 11305           Section **48-2d-1101** (Effective 07/01/13), **Definitions.**
- 11306           Section **48-2d-1102** (Effective 07/01/13), **Merger.**
- 11307           Section **48-2d-1103** (Effective 07/01/13), **Action on plan of merger by constituent**
- 11308 **partnership.**
- 11309           Section **48-2d-1104** (Effective 07/01/13), **Filings required and permitted for merger**
- 11310 **-- Effective date.**
- 11311           Section **48-2d-1105** (Effective 07/01/13), **Effect of merger.**
- 11312           Section **48-2d-1106** (Effective 07/01/13), **Conversion.**
- 11313           Section **48-2d-1107** (Effective 07/01/13), **Action on plan of conversion by**

- 11314 **converting partnership.**
- 11315       Section **48-2d-1108 (Effective 07/01/13), Filings required for conversion -- Effective**
- 11316 **date.**
- 11317       Section **48-2d-1109 (Effective 07/01/13), Effect of conversion.**
- 11318       Section **48-2d-1110 (Effective 07/01/13), Domestication.**
- 11319       Section **48-2d-1111 (Effective 07/01/13), Action on plan of domestication by**
- 11320 **domesticating partnership.**
- 11321       Section **48-2d-1112 (Effective 07/01/13), Filings required for domestication --**
- 11322 **Effective date.**
- 11323       Section **48-2d-1113 (Effective 07/01/13), Effect of domestication.**
- 11324       Section **48-2d-1114 (Effective 07/01/13), Restrictions on approval of mergers,**
- 11325 **conversions, and domestications -- Relinquishing limited liability partnership status.**
- 11326       Section **48-2d-1115 (Effective 07/01/13), Liability of general partner after**
- 11327 **conversion or merger.**
- 11328       Section **48-2d-1116 (Effective 07/01/13), Power of general partners and persons**
- 11329 **dissociated as general partners to bind organization after conversion or merger.**
- 11330       Section **48-2d-1117 (Effective 07/01/13), Part not exclusive.**
- 11331       Section **48-2d-1201 (Effective 07/01/13), Uniformity of application and**
- 11332 **construction.**
- 11333       Section **48-2d-1202 (Effective 07/01/13), Relation to electronic signatures in global**
- 11334 **and national commerce act.**
- 11335       Section **48-2d-1203 (Effective 07/01/13), Severability clause.**
- 11336       Section **48-2d-1204 (Effective 07/01/13), Savings clause.**
- 11337       Section **48-2d-1205 (Effective 07/01/13), Application to existing relationships.**
- 11338       Section **48-3-101 (Effective 07/01/13), Title.**
- 11339       Section **48-3-102 (Effective 07/01/13), Definitions.**
- 11340       Section **48-3-103 (Effective 07/01/13), Knowledge -- Notice.**
- 11341       Section **48-3-104 (Effective 07/01/13), Nature, purpose, and duration of limited**

- 11342 **liability company.**
- 11343       Section **48-3-105 (Effective 07/01/13), Powers.**
- 11344       Section **48-3-106 (Effective 07/01/13), Governing law.**
- 11345       Section **48-3-107 (Effective 07/01/13), Supplemental principles of law.**
- 11346       Section **48-3-108 (Effective 07/01/13), Name.**
- 11347       Section **48-3-109 (Effective 07/01/13), Reservation of name.**
- 11348       Section **48-3-110 (Effective 07/01/13), Operating agreement -- Scope, function, and**
- 11349 **limitations.**
- 11350       Section **48-3-111 (Effective 07/01/13), Operating agreement -- Effect on limited**
- 11351 **liability company and persons becoming members -- Preformation agreement.**
- 11352       Section **48-3-112 (Effective 07/01/13), Operating agreement -- Effect on third**
- 11353 **parties and relationship to records effective on behalf of limited liability company.**
- 11354       Section **48-3-201 (Effective 07/01/13), Formation of limited liability company --**
- 11355 **Certificate of organization.**
- 11356       Section **48-3-202 (Effective 07/01/13), Amendment or restatement of certificate of**
- 11357 **organization.**
- 11358       Section **48-3-203 (Effective 07/01/13), Signing of records to be delivered for filing**
- 11359 **to division.**
- 11360       Section **48-3-204 (Effective 07/01/13), Signing and filing pursuant to judicial order.**
- 11361       Section **48-3-205 (Effective 07/01/13), Delivery to and filing of records by division**
- 11362 **-- Effective time and date.**
- 11363       Section **48-3-206 (Effective 07/01/13), Correcting filed record.**
- 11364       Section **48-3-207 (Effective 07/01/13), Liability for inaccurate information in filed**
- 11365 **record.**
- 11366       Section **48-3-208 (Effective 07/01/13), Certificate of existence or authorization.**
- 11367       Section **48-3-209 (Effective 07/01/13), Annual report for division.**
- 11368       Section **48-3-301 (Effective 07/01/13), No agency power of member as member.**
- 11369       Section **48-3-302 (Effective 07/01/13), Statement of authority.**

- 11370           Section **48-3-303** (Effective 07/01/13), **Statement of denial.**
- 11371           Section **48-3-304** (Effective 07/01/13), **Liability of members and managers.**
- 11372           Section **48-3-401** (Effective 07/01/13), **Becoming a member.**
- 11373           Section **48-3-402** (Effective 07/01/13), **Form of contribution.**
- 11374           Section **48-3-403** (Effective 07/01/13), **Liability for contributions.**
- 11375           Section **48-3-404** (Effective 07/01/13), **Sharing of and right to distributions before**
- 11376 **dissolution.**
- 11377           Section **48-3-405** (Effective 07/01/13), **Limitations on distribution.**
- 11378           Section **48-3-406** (Effective 07/01/13), **Liability for improper distributions.**
- 11379           Section **48-3-407** (Effective 07/01/13), **Management of limited liability company.**
- 11380           Section **48-3-408** (Effective 07/01/13), **Indemnification and insurance.**
- 11381           Section **48-3-409** (Effective 07/01/13), **Standards of conduct for members and**
- 11382 **managers.**
- 11383           Section **48-3-410** (Effective 07/01/13), **Right of members, managers, and**
- 11384 **dissociated members to information.**
- 11385           Section **48-3-501** (Effective 07/01/13), **Nature of transferable interest.**
- 11386           Section **48-3-502** (Effective 07/01/13), **Transfer of transferable interest.**
- 11387           Section **48-3-503** (Effective 07/01/13), **Charging order.**
- 11388           Section **48-3-504** (Effective 07/01/13), **Power of personal representative of deceased**
- 11389 **member.**
- 11390           Section **48-3-601** (Effective 07/01/13), **Member's power to dissociate -- Wrongful**
- 11391 **dissociation.**
- 11392           Section **48-3-602** (Effective 07/01/13), **Events causing dissociation.**
- 11393           Section **48-3-603** (Effective 07/01/13), **Effect of person's dissociation as member.**
- 11394           Section **48-3-701** (Effective 07/01/13), **Events causing dissolution.**
- 11395           Section **48-3-702** (Effective 07/01/13), **Election to purchase in lieu of dissolution.**
- 11396           Section **48-3-703** (Effective 07/01/13), **Winding up.**
- 11397           Section **48-3-704** (Effective 07/01/13), **Known claims against dissolved limited**

- 11398 **liability company.**
- 11399       Section **48-3-705 (Effective 07/01/13), Other claims against dissolved limited**
- 11400 **liability company.**
- 11401       Section **48-3-706 (Effective 07/01/13), Administrative dissolution.**
- 11402       Section **48-3-707 (Effective 07/01/13), Reinstatement following administrative**
- 11403 **dissolution.**
- 11404       Section **48-3-708 (Effective 07/01/13), Appeal from rejection of reinstatement.**
- 11405       Section **48-3-709 (Effective 07/01/13), Distribution of assets in winding up limited**
- 11406 **liability company's activities.**
- 11407       Section **48-3-801 (Effective 07/01/13), Governing law.**
- 11408       Section **48-3-802 (Effective 07/01/13), Application for certificate of authority.**
- 11409       Section **48-3-803 (Effective 07/01/13), Activities not constituting transacting**
- 11410 **business.**
- 11411       Section **48-3-804 (Effective 07/01/13), Filing of certificate of authority.**
- 11412       Section **48-3-805 (Effective 07/01/13), Noncomplying name of foreign limited**
- 11413 **liability company.**
- 11414       Section **48-3-806 (Effective 07/01/13), Revocation of certificate of authority.**
- 11415       Section **48-3-807 (Effective 07/01/13), Cancellation of certificate of authority.**
- 11416       Section **48-3-808 (Effective 07/01/13), Effect of failure to have certificate of**
- 11417 **authority.**
- 11418       Section **48-3-809 (Effective 07/01/13), Action by attorney general.**
- 11419       Section **48-3-901 (Effective 07/01/13), Direct action by member.**
- 11420       Section **48-3-902 (Effective 07/01/13), Derivative action.**
- 11421       Section **48-3-903 (Effective 07/01/13), Proper plaintiff.**
- 11422       Section **48-3-904 (Effective 07/01/13), Pleading.**
- 11423       Section **48-3-905 (Effective 07/01/13), Special litigation committee.**
- 11424       Section **48-3-906 (Effective 07/01/13), Proceeds and expenses.**
- 11425       Section **48-3-1001 (Effective 07/01/13), Definitions.**

- 11426           Section **48-3-1002** (Effective 07/01/13), **Merger.**
- 11427           Section **48-3-1003** (Effective 07/01/13), **Action on plan of merger by constituent**
- 11428 **limited liability company.**
- 11429           Section **48-3-1004** (Effective 07/01/13), **Filings required for merger -- Effective**
- 11430 **date.**
- 11431           Section **48-3-1005** (Effective 07/01/13), **Effect of merger.**
- 11432           Section **48-3-1006** (Effective 07/01/13), **Conversion.**
- 11433           Section **48-3-1007** (Effective 07/01/13), **Action on plan of conversion by converting**
- 11434 **limited liability company.**
- 11435           Section **48-3-1008** (Effective 07/01/13), **Filings required for conversion -- Effective**
- 11436 **date.**
- 11437           Section **48-3-1009** (Effective 07/01/13), **Effect of conversion.**
- 11438           Section **48-3-1010** (Effective 07/01/13), **Domestication.**
- 11439           Section **48-3-1011** (Effective 07/01/13), **Action on plan of domestication by**
- 11440 **domesticating limited liability company.**
- 11441           Section **48-3-1012** (Effective 07/01/13), **Filings required for domestication --**
- 11442 **Effective date.**
- 11443           Section **48-3-1013** (Effective 07/01/13), **Effect of domestication.**
- 11444           Section **48-3-1014** (Effective 07/01/13), **Restrictions on approval of mergers,**
- 11445 **conversions, and domestications.**
- 11446           Section **48-3-1015** (Effective 07/01/13), **Part not exclusive.**
- 11447           Section **48-3-1101** (Effective 07/01/13), **Definitions.**
- 11448           Section **48-3-1102** (Effective 07/01/13), **Application of this part.**
- 11449           Section **48-3-1103** (Effective 07/01/13), **Additional requirements for certificate of**
- 11450 **organization.**
- 11451           Section **48-3-1104** (Effective 07/01/13), **Name limitations.**
- 11452           Section **48-3-1105** (Effective 07/01/13), **Providing a professional service.**
- 11453           Section **48-3-1106** (Effective 07/01/13), **Limit of one profession.**

- 11454           Section **48-3-1107** (Effective 07/01/13), **Activity limitations.**
- 11455           Section **48-3-1108** (Effective 07/01/13), **Part does not limit regulating board.**
- 11456           Section **48-3-1109** (Effective 07/01/13), **Member or manager of a professional**
- 11457 **services company.**
- 11458           Section **48-3-1110** (Effective 07/01/13), **Restriction on transfer by member.**
- 11459           Section **48-3-1111** (Effective 07/01/13), **Purchase of interest upon death, incapacity,**
- 11460 **or disqualification of member.**
- 11461           Section **48-3-1112** (Effective 07/01/13), **Conversion to nonprofessional company.**
- 11462           Section **48-3-1201** (Effective 07/01/13), **Application of this part.**
- 11463           Section **48-3-1202** (Effective 07/01/13), **Series of transferable interests.**
- 11464           Section **48-3-1203** (Effective 07/01/13), **Notice of series -- Certificate of**
- 11465 **organization.**
- 11466           Section **48-3-1204** (Effective 07/01/13), **Agreement to be liable.**
- 11467           Section **48-3-1205** (Effective 07/01/13), **Series related provisions in operating**
- 11468 **agreement.**
- 11469           Section **48-3-1206** (Effective 07/01/13), **Management of a series.**
- 11470           Section **48-3-1207** (Effective 07/01/13), **Distribution concerning a series.**
- 11471           Section **48-3-1208** (Effective 07/01/13), **Events causing dissociation from a series.**
- 11472           Section **48-3-1209** (Effective 07/01/13), **Termination of a series.**
- 11473           Section **48-3-1210** (Effective 07/01/13), **Foreign limited liability company -- Series.**
- 11474           Section **48-3-1301** (Effective 07/01/13), **Application of this part.**
- 11475           Section **48-3-1302** (Effective 07/01/13), **Requirements.**
- 11476           Section **48-3-1303** (Effective 07/01/13), **Ceasing to be a low-profit limited liability**
- 11477 **company.**
- 11478           Section **48-3-1304** (Effective 07/01/13), **Conversion or merger of a low-profit**
- 11479 **limited liability company.**
- 11480           Section **48-3-1401** (Effective 07/01/13), **Uniformity of application and construction.**
- 11481           Section **48-3-1402** (Effective 07/01/13), **Relation to Electronic Signatures in Global**

- 11482 **and National Commerce Act.**
- 11483           Section **48-3-1403 (Effective 07/01/13), Severability clause.**
- 11484           Section **48-3-1404 (Effective 07/01/13), Savings clause.**
- 11485           Section **48-3-1405 (Effective 07/01/13), Application to existing relationships.**
- 11486           Section 424. **Effective date.**
- 11487           (1) The amended sections in this bill take effect on July 1, 2013.
- 11488           (2) The sections enacted in this bill take effect on January 1, 2014.
- 11489           (3) Section 422, Repealer, in this bill of the uncodified repealer Laws of Utah 2011,
- 11490 Chapter 353, Section 310, takes effect on July 1, 2013.
- 11491           (4) Section 423, Repealer, for Title 48, Chapters 1a, 1b, 2d, and 3 of the codified
- 11492 sections listed to be repealed July 1, 2013, takes effect on July 1, 2013.