

48-3a-1205 Management of a series.

- (1) A series is member-managed unless the operating agreement:
 - (a) expressly provides that:
 - (i) the series is or will be "manager-managed";
 - (ii) the series is or will be "managed by managers"; or
 - (iii) management of the series is or will be "vested in managers"; or
 - (b) includes words of similar import.
- (2) In a member-managed series, unless modified pursuant to Section 48-3a-1204, the following rules apply:
 - (a) The management and conduct of the series are vested in the members of the series.
 - (b) Each series member has equal rights in the management and conduct of the series' activities.
 - (c) A difference arising among series members as to a matter in the ordinary course of the activities of the series shall be decided by a majority of the series members.
 - (d) An act outside the ordinary course of the activities of the series may be undertaken only with the consent of all members of the series.
 - (e) The operating agreement may be amended only with the consent of all members of the series.
- (3) In a manager-managed series, the following rules apply:
 - (a) Except as otherwise expressly provided in this chapter, any matter relating to the activities of the series is decided exclusively by the managers of the series.
 - (b) Each series manager has equal rights in the management and conduct of the activities of the series.
 - (c) A difference arising among managers of a series as to a matter in the ordinary course of the activities of the series shall be decided by a majority of the managers of the series.
 - (d) Unless modified pursuant to Section 48-3a-1204, the consent of all members of the series is required to:
 - (i) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the series' property, with or without the goodwill, outside the ordinary course of the series' activities;
 - (ii) approve a transaction under Part 10, Merger, Interest Exchange, Conversion, and Domestication;
 - (iii) undertake any other act outside the ordinary course of the series' activities; and
 - (iv) amend the operating agreement as it pertains to the series.
 - (e) A manager of the series may be chosen at any time by the consent of a majority of the members of the series and remains a manager of the series until a successor has been chosen, unless the series manager at an earlier time resigns, is removed, or dies, or, in the case of a series manager that is not an individual, terminates. A series manager may be removed at any time by the consent of a majority of the members without notice or cause.
 - (f) A person need not be a series member to be a manager of a series, but the dissociation of a series member that is also a series manager removes the person as a manager of the series. If a person that is both a series manager and a series member ceases to be a manager of the series, that cessation does not by itself dissociate the person as a member of the series.
 - (g) A person's ceasing to be a series manager does not discharge any debt, obligation, or other liability to the series or members of the series which the person incurred while a manager of the series.
- (4) An action requiring the consent of members of a series under this chapter may be taken without a meeting, and a member of a series may appoint a proxy or other agent to consent or otherwise act for the series member by signing an appointing record, personally or by the series member's agent.

- (5) The dissolution of a series does not affect the applicability of this section. However, a person that wrongfully causes dissolution of the series loses the right to participate in management as a series member and a series manager.
- (6) This chapter does not entitle a member of a series to remuneration for services performed for a member-managed series, except for reasonable compensation for services rendered in winding up the activities of the series.

Enacted by Chapter 412, 2013 General Session