



SPONSOR: Sen. Sharp
Sens. Vaughn, Amick & Winslow;
Reps. Spence, Valihura, Wagner &
DiLiberto

DELAWARE STATE SENATE

140th GENERAL ASSEMBLY

SENATE BILL NO.

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO COMMERCE AND TRADE AND THE ADOPTION OF THE DELAWARE REVISED UNIFORM PARTNERSHIP ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:
(Three-Fifths of all members elected to each house thereof concurring therein):

1 Section 1. Amend Title 6 of the Delaware Code by adding new Sections 15-101
2 through 15-1210 as follows:

3 “Chapter 15. DELAWARE REVISED UNIFORM PARTNERSHIP ACT

4 SUBCHAPTER I

5 GENERAL PROVISIONS

6 Section 15-101. Definitions.

7 Section 15-102. Knowledge and Notice.

8 Section 15-103. Effect of Partnership Agreement; Nonwaivable Provisions.

9 Section 15-104. Supplemental Principles of Law.

10 Section 15-105. Execution, Filing and Recording of Statements and Certificates.

11 Section 15-106. Governing Law.

12 Section 15-107. Reserved Power of State of Delaware to Alter or Repeal Chapter.

13 Section 15-108. Name of Partnership.

14 Section 15-109. Reservation of Name.

- 15 Section 15-110. Indemnification.
- 16 Section 15-111. Registered Office; Registered Agent.
- 17 Section 15-112. Service of Process on Partnership Filing a Statement.
- 18 Section 15-113. Service of Process on a Partnership Not Filing a Statement.
- 19 Section 15-114. Service of Process on a Partner and Liquidating Trustee.
- 20 Section 15-115. Doing Business.
- 21 Section 15-116. Restated Statement of Partnership Existence.
- 22 Section 15-117. Execution, Amendment or Cancellation by Judicial Order.
- 23 Section 15-118. Statement or Certificate of Correction; Corrected Statement or Certificate.
- 24 Section 15-119. Business Transactions of Partner With the Partnership.
- 25 Section 15-120. Contractual Appraisal Rights.
- 26 Section 15-121. Contested Matters Relating To Partners; Contested Votes.
- 27 Section 15-122. Interpretation and Enforcement of Partnership Agreement.

28 SUBCHAPTER II

29 NATURE OF PARTNERSHIP

- 30 Section 15-201. Partnership As Entity.
- 31 Section 15-202. Formation of Partnership; Powers.
- 32 Section 15-203. Partnership Property.
- 33 Section 15-204. When Property Is Partnership Property.
- 34 Section 15-205. Admission Without Contribution or Partnership Interest.
- 35 Section 15-206. Form of Contribution.
- 36 Section 15-207. Liability for Contribution.

37 SUBCHAPTER III

38 RELATIONS OF PARTNERS TO

39 PERSONS DEALING WITH PARTNERSHIP

40 Section 15-301. Partner Agent of Partnership.
41 Section 15-302. Transfer of Partnership Property.
42 Section 15-303. Statement of Partnership Existence.
43 Section 15-304. Denial of Status as Partner.
44 Section 15-305. Partnership Liable for Partner's Actionable Conduct.
45 Section 15-306. Partner's Liability.
46 Section 15-307. Actions By and Against Partnership and Partners.
47 Section 15-308. Liability of Purported Partner.
48 Section 15-309. Limitations on Distribution.

49 SUBCHAPTER IV

50 RELATIONS OF PARTNERS TO EACH OTHER

51 AND TO PARTNERSHIP

52 Section 15-401. Partner's Rights and Duties.
53 Section 15-402. Distributions in Kind.
54 Section 15-403. Partner's Rights and Duties with Respect to Information.
55 Section 15-404. General Standards of Partner's Conduct.
56 Section 15-405. Actions by Partnership and Partners; Derivative Actions.
57 Section 15-406. Continuation of Partnership Beyond Definite Term or
58 Particular Undertaking.
59 Section 15-407. Classes and Voting.
60 Section 15-408. Remedies for Breach of Partnership Agreement.

61 SUBCHAPTER V

62 TRANSFEREES AND CREDITORS OF PARTNER

63 Section 15-501. Partner Not Co-Owner of Partnership Property.
64 Section 15-502. Partner's Economic Interest in Partnership; Personal Property.

65 Section 15-503. Transfer of Partner's Economic Interest

66 Section 15-504. Partner's Economic Interest Subject to Charging Order.

67 **SUBCHAPTER VI**

68 **PARTNER'S DISSOCIATION**

69 Section 15-601. Events Causing Partner's Dissociation.

70 Section 15-602. Partner's Power to Dissociate; Wrongful Dissociation.

71 Section 15-603. Effect of Partner's Dissociation.

72 **SUBCHAPTER VII**

73 **PARTNER'S DISSOCIATION WHEN**

74 **BUSINESS OR AFFAIRS NOT WOUND UP**

75 Section 15-701. Purchase of Dissociated Partner's Partnership Interest.

76 Section 15-702. Dissociated Partner's Power to Bind and Liability to Partnership.

77 Section 15-703. Dissociated Partner's Liability to Other Persons.

78 Section 15-704. Statement of Dissociation.

79 Section 15-705. Continued Use of Partnership Name.

80 **SUBCHAPTER VIII**

81 **WINDING UP PARTNERSHIP BUSINESS OR AFFAIRS**

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83 Section 15-802. Partnership Continues After Dissolution.

84 Section 15-803. Right to Wind Up Partnership Business or Affairs.

85 Section 15-804. Partner's Power to Bind Partnership After Dissolution.

86 Section 15-805. Statement of Dissolution.

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88 Section 15-807. Settlement of Accounts and Contributions Among Partners.

89 **SUBCHAPTER IX**

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141 Section 15-118. Statement or Certificate of Correction; Corrected Statement or Certificate.

142 Section 15-119. Business Transactions of Partner With the Partnership.

143 Section 15-120. Contractual Appraisal Rights.

144 Section 15-121. Contested Matters Relating To Partners; Contested Votes.

145 Section 15-122. Interpretation and Enforcement of Partnership Agreement.

146 SECTION 15-101. DEFINITIONS.

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

148 (1) 'Business' includes every trade, occupation and profession, the holding or ownership of
149 property and any other activity for profit.

150 (2) 'Certificate' means a certificate of conversion to partnership under Section 15-901, a
151 certificate of merger or consolidation under Sections 15-902, a certificate of partnership domestication
152 under Section 15-904, a certificate of transfer and a certificate of transfer and continuance under Section
153 15-905, and a certificate of correction and a corrected certificate under Sections 15-122.

154 (3) 'Debtor in bankruptcy' means a person who is the subject of:

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

157 (ii) a comparable order under State of Delaware federal, state or foreign law governing
158 insolvency.

159 (4) 'Distribution' means a transfer of money or other property from a partnership to a partner in
160 the partner's capacity as a partner or to a transferee of all or a part of a partner's economic interest.

161 (5) 'Domestic Partnership' means an association of two or more persons formed under Section
162 15-202 or predecessor law to carry on any lawful business, purpose or activity.

163 (6) 'Economic interest' means a partner's share of the profits and losses of a partnership and the
164 partner's right to receive distributions.

165 (7) 'Foreign limited liability partnership' means a partnership that:

166 (i) is formed under laws other than the laws of the State of Delaware; and

167 (ii) has the status of a limited liability partnership under those laws.

168 (8) 'Limited liability partnership' means a partnership that has filed a statement of qualification
169 under Section 15-1001 and does not have a similar statement in effect in any other jurisdiction.

170 (9) 'Liquidating Trustee' means a person, other than a partner, carrying out the winding up of a
171 partnership.

172 (10) 'Partner' means a person who has been admitted to a partnership as a partner of the
173 partnership.

174 (11) 'Partnership' means an association of two or more persons formed under Section 15-202,
175 predecessor law or comparable law of another jurisdiction to carry on any business, purpose or activity.

176 (12) 'Partnership agreement' means the agreement, whether written, oral or implied, among the
177 partners concerning the partnership, including amendments to the partnership agreement.

178 (13) 'Partnership at will' means a partnership that is not a partnership for a definite term or
179 particular undertaking.

180 (14) 'Partnership for a definite term or particular undertaking' means a partnership in which the
181 partners have agreed to remain partners until the expiration of a definite term or the completion of a
182 particular undertaking.

183 (15) 'Partnership interest' or 'partner's interest in the partnership' means all of a partner's
184 interests in the partnership, including the partner's economic interest and all management and other rights.

185 (16) 'Person' means a natural person, partnership, limited partnership, trust, estate, limited
186 liability company, association, corporation, custodian, nominee or any other individual or entity in its
187 own or any representative capacity.

188 (17) 'Property' means all property, real, personal or mixed, tangible or intangible, or any interest
189 therein.

190 (18) 'State' means the District of Columbia or the Commonwealth of Puerto Rico or any state,
191 territory, possession or other jurisdiction of the United States other than the State of Delaware.

192 (19) 'Statement' means a statement of partnership existence under Section 15-303, a statement of
193 denial under Section 15-304, a statement of dissociation under Section 15-704, a statement of dissolution
194 under Section 15-805, a statement of qualification under Section 15-1001, a statement of foreign

195 qualification under Section 15-1102, and an amendment or cancellation of any of the foregoing under
196 Section 15-105 and a statement of correction and a corrected statement under Section 15-118.

197 (20) 'Transfer' includes an assignment, conveyance, lease, mortgage, deed, and encumbrance.

198 SECTION 15-102. KNOWLEDGE AND NOTICE.

199 (a) A person knows a fact if the person has actual knowledge of it.

200 (b) A person has notice of a fact:

201 (1) if the person knows of it;

202 (2) if the person has received a notification of it;

203 (3) if the person has reason to know it exists from all of the facts known to the person at the
204 time in question; or

205 (4) by reason of a filing or recording of a statement or certificate to the extent provided by
206 and subject to the limitations set forth in this chapter.

207 (c) A person notifies or gives a notification to another by taking steps reasonably required to
208 inform the other person in the ordinary course, whether or not the other person obtains knowledge of it.

209 (d) A person receives a notification when the notification:

210 (1) comes to the person's attention; or

211 (2) is received at the person's place of business or at any other place held out by the person as
212 a place for receiving communications.

213 (e) Except as otherwise provided in subsection (f), a person other than an individual knows, has
214 notice, or receives a notification of a fact for purposes of a particular transaction when the individual
215 conducting the transaction knows, has notice, or receives a notification of the fact, or in any event when
216 the fact would have been brought to the individual's attention if the person had exercised reasonable
217 diligence. The person exercises reasonable diligence if it maintains reasonable routines for
218 communicating significant information to the individual conducting the transaction and there is
219 reasonable compliance with the routines. Reasonable diligence does not require an individual acting for
220 the person to communicate information unless the communication is part of the individual's regular duties

221 or the individual has reason to know of the transaction and that the transaction would be materially
222 affected by the information.

223 (f) A partner's knowledge, notice or receipt of a notification of a fact relating to the partnership is
224 effective immediately as knowledge by, notice to or receipt of a notification by the partnership, except in
225 the case of a fraud on the partnership committed by or with the consent of that partner.

226 SECTION 15-103. EFFECT OF PARTNERSHIP AGREEMENT; NONWAIVABLE
227 PROVISIONS.

228 (a) Except as otherwise provided in subsection (b), relations among the partners and between the
229 partners and the partnership are governed by the partnership agreement. To the extent the partnership
230 agreement does not otherwise provide, this chapter governs relations among the partners and between the
231 partners and the partnership.

232 (b) The partnership agreement may not:

233 (1) vary the rights and duties under Section 15-105 except to eliminate the duty to provide
234 copies of statements to all of the partners;

235 (2) unreasonably restrict a partner's rights under Section 15-403;

236 (3) eliminate the obligation of good faith and fair dealing under Section 15-404(d), but the
237 partnership agreement may restrict the obligation or prescribe the standards by which the performance of
238 the obligation is to be measured;

239 (4) vary the power to dissociate as a partner under Section 15-602(a), except to require the
240 notice under Section 15-601(1) to be in writing;

241 (5) vary the right of a court to expel a partner in the events specified in Section 15-601(5);

242 (6) vary the requirement to wind up the partnership business in cases specified in Section 15-
243 801(4), (5) or (6);

244 (7) vary the law applicable to a limited liability partnership under Section 15-106(b); or

245 (8) restrict rights of third parties under this chapter without the consent of those third parties.

246 (c) It is the policy of this chapter to give maximum effect to the principle of freedom of contract
247 and to the enforceability of partnership agreements.

248 (d) A partner or another person shall not be liable to the partnership or the other partners or
249 another person for the partner's or other person's good faith reliance on the provisions of the partnership
250 agreement.

251 SECTION 15-104. SUPPLEMENTAL PRINCIPLES OF LAW.

252 (a) In any case not provided for in this chapter, the rules of law and equity, including the law
253 merchant, shall govern.

254 (b) No obligation of partner to a partnership arising under a partnership agreement or a separate
255 agreement or writing, and no note, instruction or other writing evidencing any such obligation of a
256 partner, shall be subject to the defense of usury, and no partner shall interpose the defense of usury with
257 respect to any such obligation in any action. If an obligation to pay interest arises under this chapter and
258 the rate is not specified, the rate is that specified in 6 Del. Ch. § 2301.

259 SECTION 15-105. EXECUTION, FILING AND RECORDING OF STATEMENTS
260 AND CERTIFICATES.

261 (a) A statement or certificate may be filed with the Secretary of State by delivery to the Secretary
262 of State of the original signed copy of the statement or of the certificate. A certified copy of a statement
263 that is filed in an office in another state may be filed with the Secretary of State. Either filing in the State
264 of Delaware has the effect provided in this chapter with respect to partnership property located in or
265 transactions that occur in the State of Delaware.

266 (b) Only a certified copy of a filed statement recorded in the office for recording transfers of real
267 property has the effect provided for recorded statements in this chapter.

268 (c) A statement or certificate filed by a partnership must be executed by at least one partner or by
269 one or more authorized persons. Other statements must be executed by a partner or other authorized
270 person. The execution of a statement or certificate by an individual as, or on behalf of, a partner or other
271 person named as a partner in a statement or certificate constitutes an oath or affirmation, under the

272 penalties of perjury in the third degree, that, to the best of the individual's knowledge and belief, the facts
273 stated therein are true. A person who executes a statement or a certificate as an agent or fiduciary need
274 not exhibit evidence of his authority as a prerequisite to filing. Any signature on any statement or
275 certificate authorized to be filed with the Secretary of State under any provision of this chapter may be a
276 facsimile, a conformed signature or an electronically transmitted signature. Unless the Secretary of State
277 finds that any statement or certificate does not conform to law, upon receipt of all filing fees required by
278 law the Secretary of State shall:

279 (1) Certify that the statement or certificate has been filed with the Secretary of State by
280 endorsing upon the original statement or certificate the word 'Filed', and the date and hour of the filing.
281 This endorsement is conclusive of the date and time of its filing in the absence of actual fraud;

282 (2) File and index the endorsed statement or certificate; and

283 (3) Prepare and return to the person who filed it or the person's representative a copy of the
284 original signed instrument, similarly endorsed, and shall certify such copy as a true copy of the original
285 signed instrument.

286 (d) A person authorized by this chapter to file a statement or certificate may amend or cancel the
287 statement or certificate by filing an amendment or cancellation that names the partnership, identifies the
288 statement or certificate, and states the substance of the amendment or cancellation. A person authorized
289 by this chapter to file a statement or certificate who becomes aware that such statement or certificate was
290 false when made, or that any matter described in the statement or certificate has changed, making the
291 statement or certificate false in any material respect, shall promptly amend the statement or certificate.
292 Upon the filing of a statement or a certificate amending or correcting a statement or a certificate (or
293 judicial decree of amendment) with the Secretary of State, or upon the future effective date or time of a
294 statement or a certificate amending or correcting a statement or a certificate (or judicial decree thereof), as
295 provided for therein, the statement or the certificate being corrected or amended shall be corrected or
296 amended as set forth therein. Upon the filing of a statement of cancellation (or judicial decree thereof), or
297 a certificate of merger or consolidation which acts as a statement of cancellation, or a certificate of
298 transfer, or upon the future effective date or time of a statement of cancellation (or a judicial decree

299 thereof) or of a certificate of merger or consolidation which acts as a statement of cancellation, or a
300 certificate of transfer, as provided for therein, or as specified in Section 15-111(d) of this chapter, the
301 statement of partnership existence is cancelled. A statement of partnership existence shall be cancelled
302 upon the dissolution and the completion of winding up of the partnership, or as provided in Section 15-
303 111(d) of this chapter, or upon the filing of a certificate of merger or consolidation if the domestic
304 partnership is not the surviving or resulting entity in a merger or consolidation, or upon the filing of a
305 certificate of transfer, or upon the conversion of a domestic partnership approved in accordance with
306 Section 15-903 of this chapter. A statement of cancellation shall be filed with the Secretary of State to
307 accomplish the cancellation of a statement of partnership existence upon the dissolution and the
308 completion of winding up of a domestic partnership or upon the conversion of a domestic partnership
309 approved in accordance with Section 15-903 of this chapter and shall set forth:

- 310 (1) The name of the partnership;
- 311 (2) The date of filing of its statement of partnership existence;
- 312 (3) The reason for filing the statement of cancellation;
- 313 (4) In the case of the conversion of a domestic partnership, the name of the entity to which
314 the domestic partnership has been converted; and
- 315 (5) Any other information the person filing the statement of cancellation determines.

316 Upon the filing of a certificate of partnership domestication, or upon the future effective date or
317 time of a certificate of partnership domestication, the entity filing the certificate of partnership
318 domestication is domesticated as a partnership with the effect provided in Section 15-904 of this chapter.
319 Upon the filing of a certificate of conversion to partnership, or upon the future effective date or time of a
320 certificate of conversion to partnership, the entity filing the certificate of conversion to partnership is
321 converted to a partnership with the effect provided in Section 15-901 of this chapter. Upon the filing of a
322 certificate of termination of a merger or consolidation, the certificate of merger or consolidation identified
323 in the certificate of termination of a merger or consolidation is terminated. Upon the filing of a certificate
324 of amendment of a certificate of merger or consolidation, the certificate of merger or consolidation
325 identified in the certificate of amendment of a certificate of merger or consolidation is amended. Upon

326 the filing of a certificate of transfer and continuance, or upon the future effective date or time of a
327 certificate of transfer and continuance, as provided for therein, the partnership filing the certificate of
328 transfer and continuance shall continue to exist as a partnership of the State of Delaware with the effect
329 provided in Section 15-905 of this chapter.

330 (e) A person who files a statement or certificate pursuant to this section shall promptly send a
331 copy of the statement or certificate to every nonfiling partner and to any other person named as a partner
332 in the statement or certificate. Failure to send a copy of a statement or certificate to a partner or other
333 person does not limit the effectiveness of the statement or certificate as to a person not a partner.

334 (f) The filing of a statement of partnership existence under Section 15-303, a statement of
335 qualification under Section 15-1001 or a statement of foreign qualification under Section 15-1102 with
336 the Secretary of State shall make it unnecessary to file any other document under Chapter 31 of this Title.

337 (g) A statement or certificate filed with the Secretary of State shall be effective if there has been
338 substantial compliance with the requirements of this chapter.

339 (h) A statement or certificate shall be effective at the time of its filing with the Secretary of State
340 or at any later date or time specified in the statement or certificate.

341 (i) A fee as set forth in Section 15-1207 of this chapter shall be paid at the time of the filing of a
342 statement or a certificate.

343 (j) A fee as set forth in Section 15-1207 of this chapter shall be paid for a certified copy of any
344 paper on file as provided for by this chapter, and a fee as set forth in Section 15-1207 of this chapter shall
345 be paid for each page copied.

346 SECTION 15-106. GOVERNING LAW.

347 (a) Except as otherwise provided in subsection (b), the law of the jurisdiction governing a
348 partnership agreement governs relations among the partners and between the partners and the partnership.

349 (b) The law of the State of Delaware governs relations among the partners and between the
350 partners and the partnership and the liability of partners for an obligation of a limited liability partnership.

351 SECTION 15-107. RESERVED POWER OF STATE OF DELAWARE TO ALTER OR
352 REPEAL CHAPTER.

353 All provisions of this chapter may be altered from time to time or repealed and all rights of partners
354 are subject to this reservation. Unless expressly stated to the contrary in this chapter, all amendments of
355 this chapter shall apply to partnerships and partners whether or not existing at the time of the enactment of
356 any such amendment.

357 SECTION 15-108. NAME OF PARTNERSHIP.

358 (a) The name of a partnership (i) may contain the name of a partner and (ii) may contain the
359 following words: 'Company,' 'Association,' 'Club,' 'Foundation,' 'Fund,' 'Institute,' 'Society,' 'Union,'
360 'Syndicate,' 'Trust' (or abbreviations of like import).

361 (b) The name of a limited liability partnership shall contain as the last words or letters of its
362 name the words 'Limited Liability Partnership,' the abbreviation 'L.L.P.' or the designation 'LLP.'

363 (c) The name of a partnership to be included in the statement of partnership existence, statement
364 of qualification or statement of foreign qualification filed by such partnership must be such as to
365 distinguish it upon the records of the Secretary of State from the name of any corporation, partnership
366 (including a limited liability partnership), limited partnership (including a limited liability limited
367 partnership), business trust or limited liability company organized under the laws of the State of Delaware
368 and reserved or registered with the Secretary of State or qualified to do business and registered as a
369 foreign corporation, foreign limited liability partnership, foreign limited partnership, foreign business
370 trust or foreign limited liability company in the State of Delaware; provided, however, that a partnership
371 may be registered under any name which is not such as to distinguish it upon the records of the Secretary
372 of State from the name of any domestic or foreign corporation, partnership (including a limited liability
373 partnership), limited partnership (including a limited liability limited partnership), business trust or
374 limited liability company reserved or registered under the laws of the State of Delaware with the written
375 consent of the other corporation, partnership (including a limited liability partnership), limited partnership

376 (including a limited liability limited partnership), business trust or limited liability company, which
377 written consent shall be filed with the Secretary of State.

378 SECTION 15-109. RESERVATION OF NAME.

379 (a) The exclusive right to use of a specified name in a statement using the specified name may be
380 reserved by: (1) any person intending to organize a partnership under this chapter and to adopt that name;
381 (2) any partnership or any foreign limited liability partnership registered in the State of Delaware which,
382 in either case, proposes to change its name; (3) any foreign limited liability partnership intending to
383 register in the State of Delaware and adopt that name; and (4) any person intending to organize a foreign
384 limited liability partnership and intending to have it register in the State of Delaware and adopt that name.

385 (b) The reservation of a specified name shall be made by filing with the Secretary of State an
386 application, executed by the applicant, specifying the name to be reserved and the name and address of
387 the applicant. If the Secretary of State finds that the name is available for use, the Secretary shall reserve
388 the name for exclusive use of the applicant in a statement using the specified name for a period of 120
389 days. Once having so reserved a name, the same applicant may again reserve the same name for
390 successive 120 day periods. The right to the exclusive use of a reserved name in a statement using the
391 specified name may be transferred to any other person by filing with the Secretary of State a notice of the
392 transfer, executed by the applicant for whom the name was reserved, specifying the name to be
393 transferred and the name and address of the transferee. The reservation of a specified name may be
394 canceled by filing with the Secretary of State a notice of cancellation, executed by the applicant or
395 transferee, specifying the name reservation to be canceled and the name and address of the applicant or
396 transferee. Unless the Secretary of State finds that any application, notice of transfer or notice of
397 cancellation filed with the Secretary of State as required by this subsection does not conform to law, upon
398 receipt of all filing fees required by law, the Secretary shall prepare and return to the person who filed
399 such instrument a copy of the filed instrument with a notation thereon of the action taken by Secretary of
400 State.

401 (c) A fee as set forth in Section 15-1207 of this chapter shall be paid at the time of the initial
402 reservation of any name, at the time of the renewal of any such reservation and at the time of the filing of
403 a notice of the transfer or cancellation of any such reservation.

404 SECTION 15-110. INDEMNIFICATION.

405 Subject to such standards and restrictions, if any, as are set forth in its partnership agreement, a
406 partnership may, and shall have the power to, indemnify and hold harmless any partner or other person
407 from and against any and all claims and demands whatsoever.

408 SECTION 15-111. REGISTERED OFFICE; REGISTERED AGENT.

409 (a) Each partnership that files a statement of partnership existence, a statement of qualification or
410 a statement of foreign qualification shall have and maintain in the State of Delaware:

411 (1) A registered office, which may but need not be a place of its business in the State of
412 Delaware; and

413 (2) A registered agent for service of process on the partnership, which agent may be either an
414 individual resident of the State of Delaware whose business office is identical with the partnership's
415 registered office, or a domestic corporation, or a domestic limited partnership, or a domestic limited
416 liability company, or a domestic business trust, or a domestic limited liability partnership, or a foreign
417 corporation, or a foreign limited partnership, or a foreign limited liability company, or a foreign business
418 trust, or a foreign limited liability partnership authorized to do business in the State of Delaware having a
419 business office identical with such registered office, which is generally open during normal business
420 hours to accept service of process and otherwise perform the functions of a registered agent, or the
421 partnership itself.

422 (b) A registered agent may change the address of the registered office of the partnerships for
423 which it is registered agent to another address in the State of Delaware by paying a fee as set forth in
424 Section 15-1207 of this chapter and filing with the Secretary of State a certificate, executed by such
425 registered agent, setting forth the names of all the partnerships represented by such registered agent, and
426 the address at which such registered agent has maintained the registered office for each of such
427 partnerships, and further certifying to the new address to which each such registered office will be

428 changed on a given day, and at which new address such registered agent will thereafter maintain the
429 registered office for each of the partnerships recited in the certificate. Upon the filing of such certificate,
430 the Secretary of State shall furnish to the registered agent a certified copy of the same under his hand and
431 seal of office, and thereafter, or until further change of address as authorized by law, the registered office
432 in the State of Delaware of each of the partnerships recited in the certificate shall be located at the new
433 address of the registered agent thereof as given in the certificate. In the event of a change of name of any
434 person acting as registered agent of a partnership, such registered agent shall file with the Secretary of
435 State a certificate, executed by such registered agent, setting forth the new name of such registered agent,
436 the name of such registered agent before it was changed, the names of all the partnerships represented by
437 such registered agent, and the address at which such registered agent has maintained the registered office
438 for each of such partnerships, and shall pay a fee as set forth in Section 15-1207 of this chapter. Upon the
439 filing of such certificate, the Secretary of State shall furnish to the registered agent a certified copy of the
440 same under his hand and seal of office. Filing a certificate under this section shall be deemed to be an
441 amendment of the statement of partnership existence, statement of qualification or statement of foreign
442 qualification of each partnership affected thereby and each such partnership shall not be required to take
443 any further action, with respect thereto, to amend its statement of partnership existence, statement of
444 qualification or statement of foreign qualification under Section 15-105(d) of this chapter. Any registered
445 agent filing a certificate under this section shall promptly, upon such filing, deliver a copy of any such
446 certificate to each partnership affected thereby.

447 (c) The registered agent of 1 or more partnerships may resign and appoint a successor agent by
448 paying a fee as set forth in Section 15-1207 of this chapter and filing a certificate with the Secretary of
449 State stating that it resigns and the name and address of the successor registered agent. There shall be
450 attached to such certificate a statement executed by each affected partnership ratifying and approving
451 such change of registered agent. Upon such filing, the successor registered agent shall become the
452 registered agent of such partnerships as have ratified and approved such substitution and the successor
453 registered agent's address, as stated in such certificate, shall become the address of each such partnership's
454 registered office in the State of Delaware. The Secretary of State shall furnish to the successor registered

455 agent a certified copy of the certificate of resignation. Filing of such certificate of resignation shall be
456 deemed to be an amendment of the statement of partnership existence, statement of qualification or
457 statement of foreign qualification of each partnership affected thereby and each such partnership shall not
458 be required to take any further action, with respect thereto, to amend its statement of partnership
459 existence, statement of qualification or statement of foreign qualification under Section 15-105(d) of this
460 chapter.

461 (d) The registered agent of a partnership may resign without appointing a successor registered
462 agent by paying a fee as set forth in Section 15-1207 of this chapter and filing a certificate with the
463 Secretary of State stating that it resigns as registered agent for the partnership identified in the certificate,
464 but such resignation shall not become effective until 120 days after the certificate is filed. There shall be
465 attached to such certificate an affidavit of such registered agent that at least 30 days prior to and on or
466 about the date of filing of said certificate, notices were sent by certified or registered mail to the
467 partnership for which such registered agent is resigning as registered agent, at the principal office thereof
468 within or outside the State of Delaware, if known to such registered agent or, if not, to the last known
469 address of the attorney or other individual at whose request such registered agent was appointed for such
470 partnership, of the resignation of such registered agent. After receipt of the notice of the resignation of its
471 registered agent, the partnership for which such registered agent was acting shall obtain and designate a
472 new registered agent to take the place of the registered agent so resigning. If such partnership fails to
473 obtain and designate a new registered agent as aforesaid prior to the expiration of the period of 120 days
474 after the filing by the registered agent of the certificate of resignation, the statement of partnership
475 existence, statement of qualification or statement of foreign qualification of such partnership shall be
476 deemed to be canceled. After the resignation of the registered agent shall have become effective as
477 provided in this section and if no new registered agent shall have been obtained and designated in the time
478 and manner aforesaid, service of legal process against the partnership for which the resigned registered
479 agent had been acting shall thereafter be upon the Secretary of State in accordance with Section 15-113 of
480 this chapter.

481 SECTION 15-112. SERVICE OF PROCESS ON PARTNERSHIP FILING A STATEMENT.

482 (a) Service of legal process upon any partnership which has filed a statement of
483 partnership existence, a statement of qualification or a statement of foreign qualification shall be
484 made by delivering a copy personally to any partner of the partnership in the State of Delaware
485 or any partner who signed a statement of partnership existence, a statement of qualification or a
486 statement of foreign qualification or the registered agent of the partnership in the State of
487 Delaware or by leaving it at the dwelling house or usual place of abode in the State of Delaware
488 of any such partner or registered agent (if the registered agent be an individual), or at the
489 registered office or any place of business of the partnership in the State of Delaware. Service by
490 copy left at the dwelling house or usual place of abode of a partner, registered agent, or at the
491 registered office or any place of business of the partnership in the State of Delaware, to be
492 effective, must be delivered thereat at least 6 days before the return date of the process, and in
493 the presence of an adult person, and the officer serving the process shall distinctly state the
494 manner of service in the return thereto. Process returnable forthwith must be delivered
495 personally to the partner or registered agent.

496 (b) In case the officer whose duty it is to serve legal process cannot by due diligence serve the
497 process in any manner provided for by subsection (a) of this section, it shall be lawful to serve the process
498 against the partnership upon the Secretary of State, and such service shall be as effectual for all intents
499 and purposes as if made in any of the ways provided for in subsection (a) hereof. In the event that service
500 is effected through the Secretary of State in accordance with this subsection, the Secretary of State shall
501 forthwith notify the partnership by letter, certified mail, return receipt requested, directed to the
502 partnership at the address of any partner as it appears on the records relating to such partnership on file
503 with the Secretary of State or, if no such address appears, at the last registered office. Such letter shall
504 enclose a copy of the process and any other papers served on the Secretary of State pursuant to this
505 subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any other
506 papers in duplicate, to notify the Secretary of State that service is being effected pursuant to this

507 subsection, and to pay the Secretary of State the sum of \$50 for the use of the State of Delaware, which
508 sum shall be taxed as part of the costs in the proceeding if the plaintiff shall prevail therein. The
509 Secretary of State shall maintain an alphabetical record of any such service setting forth the name of the
510 plaintiff and defendant, the title, docket number and nature of the proceeding in which process has been
511 served upon him, the fact that service has been effected pursuant to this subsection, the return date
512 thereof, and the day and hour when the service was made. The Secretary of State shall not be required to
513 retain such information for a period longer than 5 years from receipt of the service of process.

514 SECTION 15-113. SERVICE OF PROCESS ON A PARTNERSHIP NOT FILING A
515 STATEMENT.

516 (a) Service of legal process upon any partnership which has not filed a statement of
517 partnership existence, a statement of qualification or a statement of foreign qualification and
518 which is formed under the laws of the State of Delaware or doing business in the State of
519 Delaware shall be made by delivering a copy personally to any partner doing business in the
520 State of Delaware or by leaving it at the dwelling house or usual place of abode in the State of
521 Delaware of a partner or at a place of business of the partnership in the State of Delaware.
522 Service by copy left at the dwelling house or usual place of abode of a partner or at a place of
523 business of the partnership in the State of Delaware, to be effective, must be delivered thereat at
524 least 6 days before the return date of the process, and in the presence of an adult person, and the
525 officer serving the process shall distinctly state the manner of service in the return thereto.
526 Process returnable forthwith must be delivered personally to the partner.

527 (b) In case the officer whose duty it is to serve legal process cannot by due diligence serve the
528 process in any manner provided for by subsection (a) of this section, it shall be lawful to serve the process
529 against the partnership upon the Secretary of State, and such service shall be as effectual for all intents
530 and purposes as if made in any of the ways provided for in subsection (a) hereof. In the event that service
531 is effected through the Secretary of State in accordance with this subsection, the Secretary of State shall
532 forthwith notify the partnership by letter, certified mail, return receipt requested, directed to the

533 partnership at the address of any partner or the partnership as it is furnished to the Secretary State by the
534 person desiring to make service. Such letter shall enclose a copy of the process and any other papers
535 served on the Secretary of State pursuant to this subsection. It shall be the duty of the plaintiff in the
536 event of such service to serve process and any other papers in duplicate, to notify the Secretary of State
537 that service is being effected pursuant to this subsection, and to pay the Secretary of State the sum of \$50
538 for the use of the State of Delaware, which sum shall be taxed as part of the costs on the proceeding if the
539 plaintiff shall prevail therein. The Secretary of State shall maintain an alphabetical record of any such
540 service setting forth the name of the plaintiff and defendant, the title, docket number and nature of the
541 proceeding in which process has been served upon the Secretary of State, the fact that service has been
542 effected pursuant to this subsection, the return date thereof, and the day and hour when the service was
543 made. The Secretary of State shall not be required to retain such information for a period longer than 5
544 years from the Secretary of State's receipt of the service of process.

545 SECTION 15-114. SERVICE OF PROCESS ON A PARTNER AND LIQUIDATING
546 TRUSTEE.

547 (a) A partner or a liquidating trustee of a partnership which is formed under the laws of the State
548 of Delaware or doing business in the State of Delaware may be served with process in the manner
549 prescribed in this section in all civil actions or proceedings brought in the State of Delaware involving or
550 relating to the business of the partnership or a violation by the partner or the liquidating trustee of a duty
551 to the partnership or any partner of the partnership, whether or not the partner or the liquidating trustee is
552 a partner or a liquidating trustee at the time suit is commenced. A person who is at the time of the
553 effectiveness of this section or who becomes a partner or a liquidating trustee of a partnership thereby
554 consents to the appointment of the registered agent of the partnership (or, if there is none, the Secretary of
555 State) as such person's agent upon whom service of process may be made as provided in this section.
556 Any process when so served shall be of the same legal force and validity as if served upon such partner or
557 liquidating trustee within the State of Delaware and such appointment of the registered agent (or, if there
558 is none, the Secretary of State) shall be irrevocable.

559 (b) Service of process shall be effected by serving the registered agent (or, if there is none, the
560 Secretary of State) with 1 copy of such process in the manner provided by law for service of writs of
561 summons. In the event service is made under this subsection upon the Secretary of State, the plaintiff
562 shall pay to the Secretary of State the sum of \$50 for the use of the State of Delaware, which sum shall be
563 taxed as part of the costs of the proceeding if the plaintiff shall prevail therein. In addition, the
564 Prothonotary or the Register in Chancery of the court in which the civil action or proceeding is pending
565 shall, within 7 days of such service, deposit in the United States mails, by registered mail, postage
566 prepaid, true and attested copies of the process, together with a statement that service is being made
567 pursuant to this section, addressed to such partner or liquidating trustee at the partner's or liquidating
568 trustee's address furnished to the Prothonotary or Register in Chancery by the person desiring to make
569 service, which address shall be the partner's or the liquidating trustee's address as the same appears in any
570 statement of the partnership or, if no such address appears, the partner's or the liquidating trustees's last
571 known address.

572 (c) In any action in which any such partner or liquidating trustee has been served with process as
573 hereinabove provided, the time in which a defendant shall be required to appear and file a responsive
574 pleading shall be computed from the date of mailing by the Prothonotary or the Register in Chancery as
575 provided in subsection (b) of the section; however, the court in which such action has been commenced
576 may order such continuance or continuances as may be necessary to afford such partner or liquidating
577 trustee reasonable opportunity to defend the action.

578 (d) In a written partnership agreement or other writing, a partner may consent to be subject to the
579 nonexclusive jurisdiction of the courts of, or arbitration in, a specified jurisdiction, or the exclusive
580 jurisdiction of the courts of the State of Delaware, or the exclusivity of arbitration in a specified
581 jurisdiction or the State of Delaware, and to be served with legal process in the manner proscribed in such
582 partnership agreement or other writing.

583 (e) Nothing herein contained limits or affects the right to serve process in any other manner now
584 or hereafter provided by law. This section is an extension of and not a limitation upon the right otherwise
585 existing of service of legal process upon nonresidents.

586 (f) The Court of Chancery and the Superior Court may make all necessary rules respecting the
587 form of process, the manner of issuance and return thereof and such other rules which may be necessary
588 to implement this section and are not inconsistent with this section.

589 SECTION 15-115. DOING BUSINESS.

590 A limited partnership, a partnership, a limited liability company, a business or other trust or
591 association, or a corporation formed or organized under the laws of any foreign country or other foreign
592 jurisdiction or the laws of any state shall not be deemed to be doing business in the State of Delaware
593 solely by reason of its being a partner in a domestic partnership.

594 SECTION 15-116. RESTATED STATEMENT OF PARTNERSHIP EXISTENCE.

595 (a) A statement of partnership existence may be restated by integrating into a single instrument
596 all of the provisions of the statement of partnership existence which are then in effect and operative as a
597 result of there having been theretofore filed 1 or more amendments pursuant to Section 15-105(d) or other
598 instruments having the effect of amending a statement of partnership existence and the statement of
599 partnership existence may be amended or further amended by the filing of a restated statement of
600 partnership existence. The restated statement of partnership existence shall be specifically designated as
601 such in its heading and shall set forth:

602 (1) The present name of the partnership, and if it has been changed, the name under which
603 the partnership was originally formed;

604 (2) The date of filing of the original statement of partnership existence with the Secretary of
605 State;

606 (3) The information required to be included pursuant to Section 15-303(a); and

607 (4) Any other information desired to be included therein.

608 (b) Upon the filing of the restated statement of partnership existence with the Secretary of State,
609 or upon the future effective date or time of a restated statement of partnership existence as provided for
610 therein, the initial statement of partnership existence, as theretofore amended, shall be superseded;
611 thenceforth, the restated statement of partnership existence, including any further amendment made

612 thereby, shall be the statement of partnership existence of the partnership, but the original date of
613 formation of the partnership shall remain unchanged.

614 (c) Any amendment effected in connection with the restatement of the statement of partnership
615 existence shall be subject to any other provision of this chapter, not inconsistent with this section, which
616 would apply if a separate amendment were filed to effect such amendment.

617 SECTION 15-117. EXECUTION, AMENDMENT OR CANCELLATION BY
618 JUDICIAL ORDER.

619 (a) If a person required by this chapter to execute any statement or certificate fails or
620 refuses to do so, any other person who is adversely affected by the failure or refusal, may
621 petition the Court of Chancery to direct the execution of the statement or certificate. If the Court
622 finds that the execution of the statement or certificate is proper and that any person so designated
623 has failed or refused to execute the statement or certificate, the Court shall order the Secretary of
624 State to file an appropriate statement or certificate.

625 (b) If a person required to execute a partnership agreement or amendment thereof fails or refuses
626 to do so, any other person who is adversely affected by the failure or refusal may petition the Court of
627 Chancery to direct the execution of the partnership agreement or amendment thereof. If the Court finds
628 that the partnership agreement or amendment thereof should be executed and that any person so
629 designated has failed or refused to do so, the Court shall enter an order granting appropriate relief.

630 SECTION 15-118. STATEMENT OR CERTIFICATE OF CORRECTION;
631 CORRECTED STATEMENT OR CERTIFICATE.

632 (a) Whenever any statement or certificate authorized to be filed with the Secretary of State under
633 any provision of this chapter has been so filed and is an inaccurate record of the action therein referred to,
634 or was defectively or erroneously executed, such statement or certificate may be corrected by filing with
635 the Secretary of State a statement or certificate of correction of such statement or certificate. The
636 statement or certificate of correction shall specify the inaccuracy or defect to be corrected, shall set forth
637 the portion of the statement or certificate in corrected form and shall be executed and filed as required by

638 this chapter. The statement or certificate of correction shall be effective as of the date the original
639 statement or certificate was filed, except as to those persons who are substantially and adversely affected
640 by the correction, and as to those persons the statement or certificate of correction shall be effective from
641 the filing date.

642 (b) In lieu of filing a statement or certificate of correction, a statement or certificate may be
643 corrected by filing with the Secretary of State a corrected statement or certificate which shall be executed
644 and filed as if the corrected statement or certificate were the statement or certificate being corrected, and a
645 fee equal to the fee payable to the Secretary of State if the statement or certificate being corrected were
646 then being filed shall be paid to and collected by the Secretary of State for the use of the State of
647 Delaware in connection with the filing of the corrected statement or certificate. The corrected statement
648 or certificate shall be specifically designated as such in its heading, shall specify the inaccuracy or defect
649 to be corrected, and shall set forth the entire statement or certificate in corrected form. A statement or
650 certificate corrected in accordance with this section shall be effective as of the date the original statement
651 or certificate was filed, except as to those persons who are substantially and adversely affected by the
652 correction and as to those persons the statement or certificate as corrected shall be effective from the
653 filing date.

654 SECTION 15-119. BUSINESS TRANSACTIONS OF PARTNER WITH THE
655 PARTNERSHIP.

656 Except as provided in the partnership agreement, a partner may lend money to, borrow money from,
657 act as a surety, guarantor or endorser for, guarantee or assume 1 or more specific obligations of, provide
658 collateral for and transact other business with, the partnership and, subject to other applicable law, has the
659 same rights and obligations with respect thereto as a person who is not a partner.

660 SECTION 15-120. CONTRACTUAL APPRAISAL RIGHTS.

661 A partnership agreement or an agreement of merger or consolidation may provide that contractual
662 appraisal rights with respect to a partnership interest or another interest in a partnership shall be available
663 for any class or group of partners or partnership interests in connection with any amendment of a

664 partnership agreement, any merger or consolidation in which the partnership is a constituent party to the
665 merger or consolidation, or the sale of all or substantially all of the partnership's assets. The Court of
666 Chancery shall have jurisdiction to hear and determine any matter relating to any such appraisal rights.

667 SECTION 15-121. CONTESTED MATTERS RELATING TO PARTNERS;
668 CONTESTED VOTES.

669 (a) Upon application of any partner of a partnership which is formed under the laws of the State
670 of Delaware or doing business in the State of Delaware, the Court of Chancery may hear and determine
671 the validity of any admission, election, appointment or dissociation of a partner of the partnership, and the
672 right of any person to become or continue to be a partner of the partnership, and to that end make such
673 order or decree in any such case as may be just and proper, with power to enforce the production of any
674 books, papers and records relating to the issue. In any such application, the partnership shall be named as
675 a party, and service of copies of the application upon the partnership shall be deemed to be service upon
676 the partnership and upon the person or persons whose right to be a partner is contested and upon the
677 person or persons, if any, claiming to be a partner or claiming the right to be a partner; and the person
678 upon whom service is made shall forward immediately a copy of the application to the partnership and to
679 the person or persons whose right to be a partner is contested and to the person or persons, if any,
680 claiming to be a partner or the right to be a partner, in a postpaid, sealed, registered letter addressed to
681 such partnership and such person or persons at their post-office addresses last known to the person upon
682 whom service is made or furnished to the person upon whom service is made by the applicant partner.
683 The Court may make such order respecting further or other notice of such application as it deems proper
684 under the circumstances.

685 (b) Upon application of any partner of a partnership which is formed under the laws of the State
686 of Delaware or doing business in the State of Delaware, the Court of Chancery may hear and determine
687 the result of any vote of partners upon matters as to which the partners of the partnership, or any class or
688 group of partners, have the right to vote pursuant to the partnership agreement or other agreement or this
689 chapter (other than the admission, election, appointment or dissociation of partners). In any such

690 application, the partnership shall be named as a party, and service of the application upon the person upon
691 whom service is made shall be deemed to be service upon the partnership, and no other party need be
692 joined in order for the Court to adjudicate the result of the vote. The Court may make such order
693 respecting further or other notice of such application as it deems proper under the circumstances.

694 (c) Nothing herein contained limits or affects the right to serve process in any other manner now
695 or hereafter provided by law. This section is an extension of and not a limitation upon the right otherwise
696 existing of service of legal process upon nonresidents.

697 SECTION 15-122. INTERPRETATION AND ENFORCEMENT OF PARTNERSHIP
698 AGREEMENT.

699 Any action to interpret, apply or enforce the provisions of a partnership agreement of a partnership
700 which is formed under the laws of the State of Delaware or doing business in the State of Delaware, or the
701 duties, obligations or liabilities of such partnership to the partners of the partnership, or the duties,
702 obligations or liabilities among partners or of partners to such partnership, or the rights or powers of, or
703 restrictions on, such partnership or partners, including actions authorized by Section 15-405, may be
704 brought in the Court of Chancery.

705 SUBCHAPTER II

706 NATURE OF PARTNERSHIP

707 Section 15-201. Partnership As Entity.

708 Section 15-202. Formation of Partnership; Powers.

709 Section 15-203. Partnership Property.

710 Section 15-204. When Property Is Partnership Property.

711 Section 15-205. Admission Without Contribution or Partnership Interest.

712 Section 15-206. Form of Contribution.

713 Section 15-207. Liability for Contribution.

714 SECTION 15-201. PARTNERSHIP AS ENTITY.

715 (a) A partnership is a separate legal entity which is an entity distinct from its partners unless or to
716 the extent otherwise provided in a statement of partnership existence and in a partnership agreement.

717 (b) A limited liability partnership continues to be the same entity that existed before the filing of
718 a statement of qualification under Section 15-1001.

719 SECTION 15-202. FORMATION OF PARTNERSHIP; POWERS.

720 (a) Except as otherwise provided in subsection (b), the association of two or more persons (i) to
721 carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form
722 a partnership, and (ii) to carry on any purpose or activity not for profit, forms a partnership when the
723 persons intend to form a partnership. A limited liability partnership is for all purposes a partnership.

724 (b) Subject to Section 15-1206, an association formed under a statute other than this chapter, a
725 predecessor statute or a comparable statute of another jurisdiction is not a partnership under this chapter.

726 (c) In determining whether a partnership is formed under Section 15-202(a)(i), the following
727 rules apply:

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

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

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

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

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

738 (iii) of rent;

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

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

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

746 (d) A partnership shall possess and may exercise all the powers and privileges granted by this
747 chapter or by any other law or by its partnership agreement, together with any powers incidental thereto,
748 including such powers and privileges as are necessary or convenient to the conduct, promotion or
749 attainment of the business, purposes or activities of the partnership.

750 SECTION 15-203. PARTNERSHIP PROPERTY.

751 Property acquired by a partnership is property of the partnership and not of the partners
752 individually.

753 SECTION 15-204. WHEN PROPERTY IS PARTNERSHIP PROPERTY.

754 (a) Property is partnership property if acquired in the name of:

755 (1) the partnership; or

756 (2) one or more persons with an indication in the instrument transferring title to the property
757 of the person's capacity as a partner or of the existence of a partnership but without an indication of the
758 name of the partnership.

759 (b) Property is acquired in the name of the partnership by a transfer to:

760 (1) the partnership in its name; or

761 (2) one or more persons in their capacity as partners in the partnership, if the name of the
762 partnership is indicated in the instrument transferring title to the property.

763 (c) Property is presumed to be partnership property if purchased with partnership assets, even if
764 not acquired in the name of the partnership or of one or more persons with an indication in the instrument
765 transferring title to the property of the person's capacity as a partner or of the existence of a partnership.

766 (d) Property acquired in the name of one or more persons, without an indication in the instrument
767 transferring title to the property of the person's capacity as a partner or of the existence of a partnership
768 and without use of partnership assets, is presumed to be separate property, even if used for partnership
769 purposes.

770 SECTION 15-205. ADMISSION WITHOUT CONTRIBUTION OR PARTNERSHIP
771 INTEREST.

772 A person may be admitted to a partnership as a partner of the partnership and may receive a
773 partnership interest in the partnership without making a contribution or being obligated to make a
774 contribution to the partnership. A person may be admitted to a partnership as a partner of the partnership
775 without acquiring a partnership interest in the partnership. Nothing contained in this section shall affect a
776 partner's liability under Section 15-306.

777 SECTION 15-206. FORM OF CONTRIBUTION.

778 The contribution of a partner may be in cash, property or services rendered, or a promissory note or
779 other obligation to contribute cash or property or to perform services.

780 SECTION 15-207. LIABILITY FOR CONTRIBUTION.

781 (a) A partner is obligated to the partnership to perform any promise to contribute cash or
782 property or to perform services, even if the partner is unable to perform because of death, disability or any
783 other reason. If a partner does not make the required contribution of property or services, the partner is
784 obligated at the option of the partnership to contribute cash equal to that portion of the value of the
785 contribution that has not been made. The foregoing option shall be in addition to, and not in lieu of, any
786 other rights, including the right to specific performance, that the partnership may have against such
787 partner under the partnership agreement or applicable law.

788 (b) A partnership agreement may provide that the partnership interest of any partner who fails to
789 make any contribution that the partner is obligated to make shall be subject to specified penalties for, or
790 specified consequences of, such failure. Such penalty or consequence may take the form of reducing or
791 eliminating the defaulting partner's interest in the partnership, subordinating the partner's partnership

792 interest to that of nondefaulting partners, a forced sale of the partner's partnership interest, forfeiture of
793 the partner's partnership interest, the lending by other partners of the amount necessary to meet the
794 partner's commitment, a fixing of the value of the partner's partnership interest by appraisal or by formula
795 and redemption or sale of the partner's partnership interest at such value, or other penalty or consequence.

796 SUBCHAPTER III

797 RELATIONS OF PARTNERS TO

798 PERSONS DEALING WITH PARTNERSHIP

799 Section 15-301. Partner Agent of Partnership.

800 Section 15-302. Transfer of Partnership Property.

801 Section 15-303. Statement of Partnership Existence.

802 Section 15-304. Denial of Status as Partner.

803 Section 15-305. Partnership Liable for Partner's Actionable Conduct.

804 Section 15-306. Partner's Liability.

805 Section 15-307. Actions By and Against Partnership and Partners.

806 Section 15-308. Liability of Purported Partner.

807 Section 15-309. Limitations on Distribution.

808 SECTION 15-301. PARTNER AGENT OF PARTNERSHIP.

809 Subject to the effect of a statement of partnership existence under Section 15-303:

810 (1) Each partner is an agent of the partnership for the purpose of its business, purposes or
811 activities. An act of a partner, including the execution of an instrument in the partnership name, for
812 apparently carrying on in the ordinary course the partnership's business, purposes or activities or business,
813 purposes or activities of the kind carried on by the partnership binds the partnership, unless the partner
814 had no authority to act for the partnership in the particular matter and the person with whom the partner
815 was dealing had notice that the partner lacked authority.

816 (2) An act of a partner which is not apparently for carrying on in the ordinary course the
817 partnership's business, purposes or activities or business, purposes or activities of the kind carried on by
818 the partnership binds the partnership only if the act was authorized by the other partners.

819 SECTION 15-302. TRANSFER OF PARTNERSHIP PROPERTY.

820 (a) Partnership property may be transferred as follows:

821 (1) Subject to the effect of a statement of partnership existence under Section 15-303,
822 partnership property held in the name of the partnership may be transferred by an instrument of transfer
823 executed by a partner in the partnership name.

824 (2) Partnership property held in the name of one or more partners with an indication in the
825 instrument transferring the property to them of their capacity as partners or of the existence of a
826 partnership, but without an indication of the name of the partnership, may be transferred by an instrument
827 of transfer executed by the persons in whose name the property is held.

828 (3) Partnership property held in the name of one or more persons other than the partnership,
829 without an indication in the instrument transferring the property to them of their capacity as partners or of
830 the existence of a partnership, may be transferred by an instrument of transfer executed by the persons in
831 whose name the property is held.

832 (b) A partnership may recover partnership property from a transferee only if it proves that
833 execution of the instrument of initial transfer did not bind the partnership under Section 15-301 and:

834 (1) as to a subsequent transferee who gave value for property transferred under subsection
835 15-302(a)(1) and (2), proves that the subsequent transferee had notice that the person who executed the
836 instrument of initial transfer lacked authority to bind the partnership; or

837 (2) as to a transferee who gave value for property transferred under subsection 15-302(a)(3),
838 proves that the transferee had notice that the property was partnership property and that the person who
839 executed the instrument of initial transfer lacked authority to bind the partnership.

840 (c) A partnership may not recover partnership property from a subsequent transferee if the
841 partnership would not have been entitled to recover the property, under subsection 15-302(b), from any
842 earlier transferee of the property.

843 (d) If a person holds all of the partners' interests in the partnership, all of the partnership property
844 vests in that person. The person may execute a document in the name of the partnership to evidence
845 vesting of the property in that person and may file or record the document.

846 SECTION 15-303. STATEMENT OF PARTNERSHIP EXISTENCE.

847 (a) A partnership may file a statement of partnership existence, which:

848 (1) must include:

849 (i) the name of the partnership; and

850 (ii) the address of the registered office and the name and address of the registered agent
851 for service of process required to be maintained by Section 15-111 of this chapter; and

852 (2) may state (i) the names of the partners authorized to execute an instrument transferring
853 real property held in the name of the partnership, (ii) the authority, or limitations on the authority, of some
854 or all of the partners to enter into other transactions on behalf of the partnership and (iii) any other matter.

855 (b) A statement of partnership existence supplements the authority of a partner to enter into
856 transactions on behalf of the partnership as follows:

857 (1) Except for transfers of real property, a grant of authority contained in a statement of
858 partnership existence is conclusive in favor of a person who gives value without knowledge to the
859 contrary, so long as and to the extent that a limitation on that authority is not then contained in another
860 statement. A filed cancellation of a limitation on authority revives the previous grant of authority.

861 (2) A grant of authority to transfer real property held in the name of the partnership
862 contained in a certified copy of a statement of partnership existence recorded in the office for recording
863 transfers of that real property is conclusive in favor of a person who gives value without knowledge to the
864 contrary, so long as and to the extent that a certified copy of a statement containing a limitation on that
865 authority is not then of record in the office for recording transfers of that real property. The recording in
866 the office for recording transfers of that real property of a certified copy of a cancellation of a limitation
867 on authority revives the previous grant of authority.

868 (c) A person not a partner is deemed to know of a limitation on the authority of a partner to
869 transfer real property held in the name of the partnership if a certified copy of the statement containing the
870 limitation on authority is of record in the office for recording transfers of that real property.

871 (d) Except as otherwise provided in subsections (b) and (c) and Sections 15-704 and 15-
872 805, a person not a partner is not deemed to know of a limitation on the authority of a partner
873 merely because the limitation is contained in a statement.

874 SECTION 15-304. DENIAL OF STATUS AS PARTNER.

875 If a person named in a statement of partnership existence is or may be adversely affected by being
876 so named, the person may petition the Court of Chancery to direct the correction of the statement. If the
877 Court finds that correction of the statement is proper and that an authorized person has failed or refused to
878 execute and file a certificate of correction or a corrected statement, the Court shall order the Secretary of
879 State to file an appropriate correction.

880 SECTION 15-305. PARTNERSHIP LIABLE FOR PARTNER'S ACTIONABLE
881 CONDUCT.

882 (a) A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a
883 result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course
884 of business of the partnership or with authority of the partnership.

885 (b) If, in the course of the partnership's business or while acting with authority of the partnership,
886 a partner receives or causes the partnership to receive money or property of a person not a partner, and the
887 money or property is misapplied by a partner, the partnership is liable for the loss.

888 SECTION 15-306. PARTNER'S LIABILITY.

889 (a) Except as otherwise provided in subsections (b) and (c), all partners are liable jointly and
890 severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by
891 law.

892 (b) A person admitted as a partner into an existing partnership is not personally liable for any
893 obligation of the partnership incurred before the person's admission as a partner.

894 (c) An obligation of a partnership incurred while the partnership is a limited liability partnership,
895 whether arising in contract, tort or otherwise, is solely the obligation of the partnership. A partner is not
896 personally liable, directly or indirectly, by way of indemnification, contribution, assessment or otherwise,
897 for such an obligation solely by reason of being or so acting as a partner. (d) Subsection (c) of
898 this section shall not affect the liability of a partner in a limited liability partnership for such partner's own
899 negligence or willful misconduct.

900 (e) The ability of an attorney-at-law, admitted to the practice of law in the State of Delaware, to
901 practice law in a limited liability partnership, shall be determined by the Rules of the Supreme Court of
902 the State of Delaware.

903 SECTION 15-307. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.

904 (a) A partnership may sue and be sued in the name of the partnership.

905 (b) An action may be brought against the partnership and, to the extent not inconsistent with
906 Section 15-306, any or all of the partners in the same action or in separate actions.

907 (c) A judgment against a partnership is not by itself a judgment against a partner. A judgment
908 against a partnership may not be satisfied from the assets of a partner liable as provided in Section 15-306
909 for a partnership obligation unless there is also a judgment against the partner for such obligation.

910 (d) A judgment creditor of a partner may not levy execution against the assets of the partner to
911 satisfy a judgment based on a claim against the partnership unless:

912 (1) the claim is for an obligation of the partnership for which the partner is liable as provided
913 in Section 15-306 and either:

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

916 (ii) the partnership is a debtor in bankruptcy;

917 (iii) the partner has agreed that the creditor need not exhaust partnership assets; or

918 (iv) a court grants permission to the judgment creditor to levy execution against the assets
919 of a partner based on a finding that partnership assets subject to execution are clearly insufficient to

920 satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of
921 permission is an appropriate exercise of the court's equitable powers; or

922 (2) liability is imposed on the partner by law or contract independent of the existence of the
923 partnership.

924 (e) This section applies to any obligation of the partnership resulting from a representation by a
925 partner or purported partner under Section 15-308.

926 SECTION 15-308. LIABILITY OF PURPORTED PARTNER.

927 (a) If a person, by words or conduct, purports to be a partner, or consents to being represented by
928 another as a partner, in a partnership or with one or more persons not partners, the purported partner is
929 liable to a person to whom the representation is made, if that person, relying on the representation, enters
930 into a transaction with the actual or purported partnership. If the representation, either by the purported
931 partner or by a person with the purported partner's consent, is made in a public manner, the purported
932 partner is liable to a person who relies upon the purported partnership even if the purported partner is not
933 aware of being held out as a partner to the claimant. If a partnership obligation results, the purported
934 partner is liable with respect to that obligation as if the purported partner were a partner. If no partnership
935 obligation results, the purported partner is liable with respect to that obligation jointly and severally with
936 any other person consenting to the representation. In the case of a limited liability partnership, a person's
937 liability under Section 15-308(a) is subject to Section 15-306 as if the person were a partner in the limited
938 liability partnership.

939 (b) If a person is thus represented to be a partner in an existing partnership, or with one or more
940 persons not partners, the purported partner is an agent of persons consenting to the representation to bind
941 them to the same extent and in the same manner as if the purported partner were a partner, with respect to
942 persons who enter into transactions in reliance upon the representation. If all of the partners of the
943 existing partnership consent to the representation, a partnership act or obligation results. If fewer than all
944 of the partners of the existing partnership consent to the representation, the person acting and the partners
945 consenting to the representation are jointly and severally liable.

946 (c) A person is not liable as a partner merely because the person is named by another in a
947 statement of partnership existence.

948 (d) A person does not continue to be liable as a partner merely because of a failure to file a
949 statement of dissociation or to amend a statement of partnership existence to indicate the partner's
950 dissociation from the partnership.

951 (e) Except as otherwise provided in subsections (a) and (b), persons who are not partners as to
952 each other are not liable as partners to other persons.

953 SECTION 15-309. LIMITATIONS ON DISTRIBUTION.

954 (a) A partnership shall not make a distribution to a partner to the extent that at the time of the
955 distribution, after giving effect to the distribution, all liabilities of the partnership, other than liabilities to
956 partners on account of their partnership interests and liabilities for which the recourse of creditors is
957 limited to specified property of the partnership, exceed the fair value of the assets of the partnership,
958 except that the fair value of property that is subject to a liability for which the recourse of creditors is
959 limited shall be included in the assets of the partnership only to the extent that the fair value of that
960 property exceeds that liability.

961 (b) A partner of a limited liability partnership who receives a distribution in violation of
962 subsection (a) of this section, and who knew at the time of the distribution that the distribution violated
963 subsection (a) of this section, shall be liable to the partnership for the amount of the distribution. A
964 partner of a limited liability partnership who receives a distribution in violation of subsection (a) of this
965 section, and who did not know at the time of the distribution that the distribution violated subsection (a)
966 of this section, shall not be liable for the amount of the distribution. Subject to subsection (c) of this
967 section, this subsection (b) shall not affect any obligation or liability of a partner of a limited liability
968 partnership under an agreement or other applicable law for the amount of a distribution.

969 (c) Unless otherwise agreed, a partner of a limited liability partnership who receives a
970 distribution from a partnership shall have no liability under this chapter or other applicable law for the
971 amount of the distribution after the expiration of three years from the date of the distribution.

972 SUBCHAPTER IV

973 RELATIONS OF PARTNERS TO EACH OTHER

974 AND TO PARTNERSHIP

975 Section 15-401. Partner's Rights and Duties.

976 Section 15-402. Distributions in Kind.

977 Section 15-403. Partner's Rights and Duties with Respect to Information.

978 Section 15-404. General Standards of Partner's Conduct.

979 Section 15-405. Actions by Partnership and Partners; Derivative Actions.

980 Section 15-406. Continuation of Partnership Beyond Definite Term or Particular Undertaking.

981 Section 15-407. Classes and Voting.

982 Section 15-408. Remedies for Breach of Partnership Agreement.

983 SECTION 15-401. PARTNER'S RIGHTS AND DUTIES.

984 (a) Each partner is deemed to have an account that is:

985 (1) credited with an amount equal to the money plus the value of any other property, net of
986 the amount of any liabilities, the partner contributes to the partnership and the partner's share of the
987 partnership profits; and

988 (2) charged with an amount equal to the money plus the value of any other property, net of
989 the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the
990 partnership losses.

991 (b) Each partner is entitled to an equal share of the partnership profits and is chargeable with a
992 share of the partnership losses in proportion to the partner's share of the profits.

993 (c) In addition to indemnification under Section 15-110, a partnership shall reimburse a partner
994 for payments made and indemnify a partner for liabilities incurred by the partner in the ordinary course
995 of the business of the partnership or for the preservation of its business or property; however, no person
996 shall be required as a consequence of any such indemnification to make any payment to the extent that the
997 payment is inconsistent with Sections 15-306(b) or (c).

998 (d) A partnership shall reimburse a partner for an advance to the partnership beyond the amount
999 of capital the partner agreed to contribute.

1000 (e) A payment or advance made by a partner which gives rise to a partnership obligation under
1001 subsection (c) or (d) constitutes a loan to the partnership which accrues interest from the date of the
1002 payment or advance.

1003 (f) Each partner has equal rights in the management and conduct of the partnership business and
1004 affairs.

1005 (g) A partner may use or possess partnership property only on behalf of the partnership.

1006 (h) A partner is not entitled to remuneration for services performed for the partnership, except for
1007 reasonable compensation for services rendered in winding up the partnership.

1008 (i) A person may become a partner only with the consent of all of the partners.

1009 (j) A difference arising as to a matter in the ordinary course of business of a partnership may be
1010 decided by a majority of the partners. An act outside the ordinary course of business of a partnership may
1011 be undertaken only with the consent of all of the partners.

1012 (k) This section does not affect the obligations of a partnership to other persons under Section
1013 15-301.

1014 (l) A partner has the power and authority to delegate to one or more other persons the partner's
1015 rights and powers to manage and control the business and affairs of the partnership, including to delegate
1016 to agents, officers and employees of the partner or the partnership, and to delegate by a management
1017 agreement or other agreement with, or otherwise to, other persons. Such delegation by a partner shall not
1018 cause the partner to cease to be a partner of the partnership.

1019 SECTION 15-402. DISTRIBUTIONS IN KIND.

1020 A partner, regardless of the nature of the partner's contribution, has no right to demand and receive
1021 any distribution from a partnership in kind. A partner may not be compelled to accept a distribution of
1022 any asset in kind from a partnership to the extent that the percentage of the asset distributed to the partner
1023 exceeds a percentage of that asset which is equal to the percentage in which the partner shares in
1024 distributions from the partnership. A partner may be compelled to accept a distribution of any asset in

1025 kind from a partnership to the extent that the percentage of the asset distributed to the partner is equal to a
1026 percentage of that asset which is equal to the percentage in which the partner shares in distributions from
1027 the partnership.

1028 SECTION 15-403. PARTNER'S RIGHTS AND DUTIES WITH RESPECT TO
1029 INFORMATION.

1030 (a) Each partner and the partnership shall provide partners, former partners and the legal
1031 representative of a deceased partner or partner under a legal disability and their agents and attorneys,
1032 access to the books and records of the partnership and other information concerning the partnership's
1033 business and affairs (in the case of former partners, only with respect to the period during which they
1034 were partners) upon reasonable demand, for any purpose reasonably related to the partner's interest as a
1035 partner in the partnership. The right of access shall include access to:

1036 (1) True and full information regarding the status of the business and financial condition of
1037 the partnership;

1038 (2) Promptly after becoming available, a copy of the partnership's federal, state and local
1039 income tax returns for each year;

1040 (3) A current list of the name and last known business, residence or mailing address of each
1041 partner;

1042 (4) A copy of any statement and written partnership agreement and all amendments thereto,
1043 together with executed copies of any written powers of attorney pursuant to which the statement or the
1044 partnership agreement and any amendments thereto have been executed;

1045 (5) True and full information regarding the amount of cash and a description and statement
1046 of the agreed value of any other property or services contributed by each partner and which each partner
1047 has agreed to contribute in the future, and the date on which each partner became a partner; and

1048 (6) Other information regarding the affairs of the partnership as is just and reasonable.

1049 The right of access includes the right to examine and make extracts from books and records and other
1050 information concerning the partnership's business and affairs. The partnership agreement may provide

1051 for, and in the absence of such provision in the partnership agreement, the partnership or the partner from
1052 whom access is sought may impose, reasonable standards (including standards governing what
1053 information and documents are to be furnished at what time and location and at whose expense) with
1054 respect to exercise of the right of access.

1055 (b) A partnership agreement may provide that the partnership shall have the right to keep
1056 confidential from partners for such period of time as the partnership deems reasonable, any information
1057 which the partnership reasonably believes to be in the nature of trade secrets or other information the
1058 disclosure of which the partnership in good faith believes is not in the best interest of the partnership or
1059 could damage the partnership or its business or affairs or which the partnership is required by law or by
1060 agreement with a third party to keep confidential.

1061 (c) A partnership and its partners may maintain the books and records and other information
1062 concerning the partnership in other than a written form if such form is capable of conversion into written
1063 form within a reasonable time.

1064 (d) Any demand by a partner under this section shall be in writing and shall state the purpose of
1065 such demand.

1066 (e) Any action to enforce any right arising under this section shall be brought in the Court of
1067 Chancery. If the partnership or a partner refuses to permit access as described in subsection (a)(3) of this
1068 section or does not reply to a demand that has been made within 5 business days after the demand has
1069 been made, the demanding partner, former partner, or legal representative of a deceased partner or partner
1070 under a legal disability may apply to the Court of Chancery for an order to compel such disclosure. The
1071 Court of Chancery is hereby vested with exclusive jurisdiction to determine whether or not the person
1072 making the demand is entitled to the books and records or other information concerning the partnership's
1073 business and affairs sought. The Court of Chancery may summarily order the partnership or partner to
1074 permit the demanding partner, former partner or legal representative of a deceased partner or partner
1075 under a legal disability and their agents and attorneys to provide access to the information described in
1076 subsection (a)(3) of this section and to make copies or extracts therefrom; or the Court of Chancery may
1077 summarily order the partnership or partner to furnish to the demanding partner, former partner or legal

1078 representative of a deceased partner or partner under a legal disability and their agents and attorneys the
1079 information described in subsection (a)(3) of this section on the condition that the partner, former partner
1080 or legal representative of a deceased partner or partner under a legal disability first pay to the partnership
1081 or to the partner from whom access is sought the reasonable cost of obtaining and furnishing such
1082 information and on such other conditions as the Court of Chancery deems appropriate. When a
1083 demanding partner, former partner or legal representative of a deceased partner or partner under a legal
1084 disability seeks to obtain access to information described in subsection (a)(3) of this section, the
1085 demanding partner, former partner or legal representative of a deceased partner or partner under a legal
1086 disability shall first establish (1) that the demanding partner, former partner or legal representative of a
1087 deceased partner or partner under a legal disability has complied with the provisions of this section
1088 respecting the form and manner of making demand for obtaining access to such information and (2) that
1089 the information the demanding partner, former partner or legal representative of a deceased partner or
1090 partner under a legal disability seeks is reasonably related to the partner's interest as a partner in the
1091 partnership. The Court of Chancery may, in its discretion, prescribe any limitations or conditions with
1092 reference to the access to information, or award such other or further relief as the Court of Chancery may
1093 deem just and proper. The Court of Chancery may order books, documents and records, pertinent extracts
1094 therefrom, or duly authenticated copies thereof, to be brought within the State of Delaware and kept in the
1095 State of Delaware upon such terms and conditions as the order may prescribe.

1096 SECTION 15-404. GENERAL STANDARDS OF PARTNER'S CONDUCT.

1097 (a) The only fiduciary duties a partner owes to the partnership and the other partners are the duty
1098 of loyalty and the duty of care set forth in subsections (b) and (c).

1099 (b) A partner's duty of loyalty to the partnership and the other partners is limited to the
1100 following:

1101 (1) to account to the partnership and hold as trustee for it any property, profit or benefit
1102 derived by the partner in the conduct or winding up of the partnership business or affairs or derived from
1103 a use by the partner of partnership property, including the appropriation of a partnership opportunity;

1104 (2) to refrain from dealing with the partnership in the conduct or winding up of the
1105 partnership business or affairs as or on behalf of a party having an interest adverse to the partnership; and

1106 (3) to refrain from competing with the partnership in the conduct of the partnership business
1107 or affairs before the dissolution of the partnership.

1108 (c) A partner's duty of care to the partnership and the other partners in the conduct and winding
1109 up of the partnership business or affairs is limited to refraining from engaging in grossly negligent or
1110 reckless conduct, intentional misconduct, or a knowing violation of law.

1111 (d) A partner shall discharge the duties to the partnership and the other partners under this
1112 chapter or under the partnership agreement and exercise any rights consistently with the obligation of
1113 good faith and fair dealing.

1114 (e) A partner does not violate a duty or obligation under this chapter or under the partnership
1115 agreement solely because the partner's conduct furthers the partner's own interest.

1116 (f) A partner may lend money to, borrow money from, act as a surety, guarantor or endorser for,
1117 guarantee or assume 1 or more specific obligations of, provide collateral for and transact other business
1118 with, the partnership and, subject to other applicable law, has the same rights and obligations with respect
1119 thereto as a person who is not a partner.

1120 (g) This section applies to a person winding up the partnership business or affairs as the personal
1121 or legal representative of the last surviving partner as if the person were a partner.

1122 SECTION 15-405. ACTIONS BY PARTNERSHIP AND PARTNERS; DERIVATIVE
1123 ACTIONS.

1124 (a) A partnership may maintain an action against a partner for a breach of the partnership
1125 agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

1126 (b) A partner may maintain an action against the partnership or another partner for legal or
1127 equitable relief, with or without an accounting as to partnership business, to:

1128 (1) enforce the partner's rights under the partnership agreement;

1129 (2) enforce the partner's rights under this chapter, including:

1130 (i) the partner's rights under Sections 15-401, 15-403 or 15-404;
1131 (ii) the partner's right on dissociation to have the partner's interest in the partnership
1132 purchased pursuant to Section 15-701 or enforce any other right under Subchapter VI or VII; or
1133 (iii) the partner's right to compel a dissolution and winding up of the partnership business
1134 under Section 15-801 or enforce any other right under Subchapter VIII; or
1135 (3) enforce the rights and otherwise protect the interests of the partner, including rights and
1136 interests arising independently of the partnership relationship.
1137 (c) The accrual of, and any time limitation on, a right of action for a remedy under this section is
1138 governed by other law. A right to an accounting upon a dissolution and winding up does not revive a
1139 claim barred by law.
1140 (d) A partner may bring a derivative action in the Court of Chancery in the right of a partnership
1141 to recover a judgment in the partnership's favor.
1142 (e) In a derivative action, the plaintiff must be a partner at the time of bringing the action and:
1143 (1) At the time of the transaction of which the partner complains; or
1144 (2) The partner's status as a partner had devolved upon the partner by operation of law or
1145 pursuant to the terms of the partnership agreement from a person who was a partner at the time of the
1146 transaction.
1147 (f) In a derivative action, the complaint shall set forth with particularity the effort, if any, of the
1148 plaintiff to secure initiation of the action by the partnership or the reason for not making the effort.
1149 (g) If a derivative action is successful, in whole or in part, as a result of a judgment, compromise
1150 or settlement of any such action, the court may award the plaintiff reasonable expenses, including
1151 reasonable attorney's fees, from any recovery in any such action or from a partnership.

1152 SECTION 15-406. CONTINUATION OF PARTNERSHIP BEYOND DEFINITE TERM
1153 OR PARTICULAR UNDERTAKING.

1154 (a) If a partnership for a definite term or particular undertaking is continued, without an express
1155 agreement, after the expiration of the term or completion of the undertaking, the rights and duties of the

1156 partners remain the same as they were at the expiration or completion, so far as is consistent with a
1157 partnership at will.

1158 (b) If the partners, or those of them who habitually acted in the business or affairs during the
1159 term or undertaking, continue the business or affairs without any settlement or liquidation of the
1160 partnership, they are presumed to have agreed that the partnership will continue.

1161 SECTION 15-407. CLASSES AND VOTING.

1162 (a) A partnership agreement may provide for classes or groups of partners having such relative
1163 rights, powers and duties as the partnership agreement may provide, and may make provision for the
1164 future creation in the manner provided in the partnership agreement of additional classes or groups of
1165 partners having such relative rights, powers and duties as may from time to time be established, including
1166 rights, powers and duties senior to existing classes and groups of partners. A partnership agreement may
1167 provide for the taking of an action, including the amendment of the partnership agreement, without the
1168 vote or approval of any partner or class or group of partners, including an action to create under the
1169 provisions of the partnership agreement a class or group of partnership interests that was not previously
1170 outstanding. A partnership agreement may provide that any partner or class or group of partners shall
1171 have no voting rights.

1172 (b) The partnership agreement may grant to all or certain identified partners or a specified class
1173 or group of the partners the right to vote separately or with all or any class or group of the partners on any
1174 matter. Voting by partners may be on a per capita, number, financial interest, class, group or any other
1175 basis.

1176 (c) A partnership agreement may set forth provisions relating to notice of the time, place or
1177 purpose of any meeting at which any matter is to be voted on by any partners, waiver of any such notice,
1178 action by consent without a meeting, the establishment of a record date, quorum requirements, voting in
1179 person or by proxy, or any other matter with respect to the exercise of any such right to vote.

1180 (d) On any matter that is to be voted on by partners, the partners may take such action without a
1181 meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the
1182 action so taken, shall be signed by the partners having not less than the minimum number of votes that

1183 would be necessary to authorize or take such action at a meeting. On any matter that is to be voted on by
1184 partners, the partners may vote in person or by proxy.

1185 (e) If a partnership agreement provides for the manner in which it may be amended, it may be
1186 amended in that manner or with the approval of all the partners or as otherwise permitted by law. If a
1187 partnership agreement does not provide for the manner in which it may be amended, the partnership
1188 agreement may be amended with the approval of all the partners or as otherwise permitted by law.

1189 SECTION 15-408. REMEDIES FOR BREACH OF PARTNERSHIP AGREEMENT.

1190 A partnership agreement may provide that (i) a partner, who fails to perform in accordance with, or to
1191 comply with the terms and conditions of, the partnership agreement shall be subject to specified penalties
1192 or specified consequences, and (ii) at the time or upon the happening of events specified in the partnership
1193 agreement, a partner shall be subject to specified penalties or specified consequences.

1194 SUBCHAPTER V

1195 TRANSFEREES AND CREDITORS OF PARTNER

1196 Section 15-501. Partner Not Co-Owner of Partnership Property.

1197 Section 15-502. Partner's Economic Interest in Partnership; Personal Property.

1198 Section 15-503. Transfer of Partner's Economic Interest.

1199 Section 15-504. Partner's Economic Interest Subject to Charging Order.

1200 SECTION 15-501. PARTNER NOT CO-OWNER OF PARTNERSHIP PROPERTY.

1201 A partner is not a co-owner of partnership property and has no interest in specific partnership
1202 property.

1203 SECTION 15-502. PARTNER'S ECONOMIC INTEREST IN PARTNERSHIP;
1204 PERSONAL PROPERTY.

1205 A partnership interest is personal property. Only a partner's economic interest may be transferred.

1206 SECTION 15-503. TRANSFER OF PARTNER'S ECONOMIC INTEREST.

1207 (a) A transfer, in whole or in part, of a partner's economic interest in the partnership:

1208 (1) is permissible;

1209 (2) does not by itself cause the partner's dissociation or a dissolution and winding up of the
1210 partnership business or affairs; and

1211 (3) does not entitle the transferee to participate in the management or conduct of the
1212 partnership business or affairs, to require access to information concerning partnership transactions, or to
1213 inspect or copy the partnership books or records.

1214 (b) A transferee of a partner's economic interest in the partnership has a right:

1215 (1) to receive, in accordance with the transfer, distributions to which the transferor would
1216 otherwise be entitled;

1217 (2) to receive upon the dissolution and winding up of the partnership business or affairs, in
1218 accordance with the transfer, the net amount otherwise distributable to the transferor; and

1219 (3) to seek under Section 15-801(6) a judicial determination that it is equitable to wind up the
1220 partnership business or affairs.

1221 (c) In a dissolution and winding up, a transferee is entitled to an account of partnership
1222 transactions only from the date of the latest account agreed to by all of the partners.

1223 (d) Upon transfer, the transferor retains the rights and duties of a partner other than the economic
1224 interest transferred.

1225 (e) A partnership need not give effect to a transferee's rights under this section until it has notice
1226 of the transfer. Upon request of a partnership or a partner, a transferee must furnish reasonable proof of a
1227 transfer.

1228 (f) A transfer of a partner's economic interest in the partnership in violation of a restriction on
1229 transfer contained in a partnership agreement is ineffective.

1230 (g) Notwithstanding anything to the contrary under applicable law, a partnership agreement may
1231 provide that a partner's economic interest may not be transferred prior to the dissolution and winding up
1232 of the partnership.

1233 (h) The partnership agreement may provide that a partnership interest in a partnership may be
1234 evidenced by a certificate of partnership interest issued by the partnership and may also provide for the

1235 transfer of any partnership interest represented by such a certificate and make other provisions with
1236 respect to such certificates.

1237 (i) Except to the extent assumed by agreement, until a transferee of a partnership interest
1238 becomes a partner, the transferee shall have no liability as a partner solely as a result of the transfer.

1239 (j) A partnership may acquire, by purchase, redemption or otherwise, any partnership interest or
1240 other interest of a partner in the partnership. Any such interest so acquired by the partnership shall be
1241 deemed canceled.

1242 SECTION 15-504. PARTNER'S ECONOMIC INTEREST SUBJECT TO CHARGING
1243 ORDER.

1244 (a) On application by a judgment creditor of a partner or of a partner's transferee, a court
1245 having jurisdiction may charge the economic interest of the judgment debtor to satisfy the
1246 judgment. The court may appoint a receiver of the share of the distributions due or to become
1247 due to the judgment debtor in respect of the partnership which receiver shall have only the rights
1248 of a transferee, and the court may make all other orders, directions, accounts and inquiries the
1249 judgment debtor might have made or which the circumstances of the case may require.

1250 (b) A charging order constitutes a lien on the judgment debtor's economic interest in the
1251 partnership. The court may order a foreclosure of the economic interest subject to the charging order at
1252 any time. The purchaser at the foreclosure sale has only the rights of a transferee.

1253 (c) At any time before foreclosure, an economic interest charged may be redeemed:

1254 (1) by the judgment debtor;

1255 (2) with property other than partnership property, by one or more of the other partners; or

1256 (3) by the partnership with the consent of all of the partners whose interests are not so
1257 charged.

1258 (d) This chapter does not deprive a partner of a right under exemption laws with respect to the
1259 partner's economic interest in the partnership.

1260 (e) This section provides the exclusive remedy by which a judgment creditor of a partner or
1261 partner's transferee may satisfy a judgment out of the judgment debtor's economic interest in the
1262 partnership.

1263 SUBCHAPTER VI

1264 PARTNER'S DISSOCIATION

1265 Section 15-601. Events Causing Partner's Dissociation.

1266 Section 15-602. Partner's Power to Dissociate; Wrongful Dissociation.

1267 Section 15-603. Effect of Partner's Dissociation.

1268 SECTION 15-601. EVENTS CAUSING PARTNER'S DISSOCIATION.

1269 A partner is dissociated from a partnership upon the occurrence of any of the following events:

1270 (1) the partnership's having notice of the partner's express will to withdraw as a partner on a later
1271 date specified by the partner in the notice or, if no later date is specified, then upon receipt of notice;

1272 (2) an event agreed to in the partnership agreement as causing the partner's dissociation;

1273 (3) the partner's expulsion pursuant to the partnership agreement;

1274 (4) the partner's expulsion by the unanimous vote of the other partners if:

1275 (i) it is unlawful to carry on the partnership business or affairs with that partner; or

1276 (ii) there has been a transfer of all or substantially all of that partner's economic interest, other
1277 than a transfer for security purposes, or a court order charging the partner's interest which, in either case,
1278 has not been foreclosed;

1279 (5) on application by or for the partnership or another partner to the Court of Chancery, the
1280 partner's expulsion by determination by the Court of Chancery because:

1281 (i) the partner engaged in wrongful conduct that adversely and materially affected the
1282 partnership business or affairs;

1283 (ii) the partner willfully or persistently committed a material breach of either the partnership
1284 agreement or of a duty owed to the partnership or the other partners; or

1285 (iii) the partner engaged in conduct relating to the partnership business or affairs which
1286 makes it not reasonably practicable to carry on the business or affairs in partnership with the partner;

1287 (6) the partner's:

1288 (i) becoming a debtor in bankruptcy;

1289 (ii) executing an assignment for the benefit of creditors;

1290 (iii) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or
1291 liquidator of that partner or of all or substantially all of that partner's property; or

1292 (iv) failing, within 90 days after the appointment, to have vacated or stayed the appointment
1293 of a trustee, receiver or liquidator of the partner or of all or substantially all of the partner's property
1294 obtained without the partner's consent or acquiescence, or failing within 90 days after the expiration of a
1295 stay to have the appointment vacated;

1296 (7) in the case of a partner who is an individual:

1297 (i) the partner's death;

1298 (ii) the appointment of a guardian or general conservator for the partner; or

1299 (iii) a judicial determination that the partner has otherwise become incapable of performing
1300 the partner's duties under the partnership agreement;

1301 (8) in the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a
1302 trust, distribution of the trust's entire economic interest, but not merely by reason of the substitution of a
1303 successor trustee;

1304 (9) in the case of a partner that is an estate or is acting as a partner by virtue of being a personal
1305 representative of an estate, distribution of the estate's entire economic interest, but not merely by reason
1306 of the substitution of a successor personal representative;

1307 (10) the expiration of 90 days after the partnership notifies a corporate partner that it will be
1308 expelled because it has filed a certificate of dissolution or the equivalent, its existence has been
1309 terminated or its certificate of incorporation has been revoked, or its right to conduct business has been
1310 suspended by the jurisdiction of its incorporation, if there is no revocation of the certificate of dissolution
1311 or no reinstatement of its existence, its certificate of incorporation or its right to conduct business;

1312 (11) a partnership, a limited liability company, a trust or a limited partnership that is a partner has
1313 been dissolved and its business is being wound up; or

1314 (12) termination of a partner who is not an individual, partnership, corporation, trust, limited
1315 partnership, limited liability company or estate.

1316 SECTION 15-602. PARTNER'S POWER TO DISSOCIATE; WRONGFUL
1317 DISSOCIATION.

1318 (a) A partner has the power to dissociate at any time, rightfully or wrongfully, by express will
1319 pursuant to Section 15-601(1).

1320 (b) A partner's dissociation is wrongful only if any of the following apply:

1321 (1) it is in breach of an express provision of the partnership agreement; or

1322 (2) in the case of a partnership for a definite term or particular undertaking, before the
1323 expiration of the term or the completion of the undertaking if any of the following apply:

1324 (i) the partner withdraws by express will, unless the withdrawal follows within 90 days
1325 after another partner's dissociation by death or otherwise under Section 15-601(6) through (12) or
1326 wrongful dissociation under this subsection;

1327 (ii) the partner is expelled by judicial determination under Section 15-601(5);

1328 (iii) the partner is dissociated under Section 15-601(6); or

1329 (iv) in the case of a partner who is not an individual, trust (other than a business trust), or
1330 estate, the partner is expelled or otherwise dissociated because it willfully dissolved or terminated.

1331 (c) A partner who wrongfully dissociates is liable to the partnership and to the other partners for
1332 damages caused by the dissociation. Such liability is in addition to any other obligation of the partner to
1333 the partnership or to the other partners.

1334 SECTION 15-603. EFFECT OF PARTNER'S DISSOCIATION.

1335 (a) If a partner's dissociation results in a dissolution and winding up of the partnership business,
1336 Subchapter VIII applies; otherwise, Subchapter VII applies.

1337 (b) Upon a partner's dissociation:

1338 (1) the partner's right to participate in the management and conduct of the partnership
1339 business terminates, except as otherwise provided in Section 15-803;
1340 (2) the partner's duty of loyalty under Section 15-404(b)(3) terminates; and
1341 (3) the partner's duty of loyalty under Section 15-404(b)(1) and (2) and duty of care under
1342 Section 15-404(c) continue only with regard to matters arising and events occurring before the partner's
1343 dissociation, unless the partner participates in winding up the partnership's business pursuant to Section
1344 15-803.

1345 SUBCHAPTER VII

1346 PARTNER'S DISSOCIATION WHEN

1347 BUSINESS OR AFFAIRS NOT WOUND UP

1348 Section 15-701. Purchase of Dissociated Partner's Partnership Interest.

1349 Section 15-702. Dissociated Partner's Power to Bind and Liability to Partnership.

1350 Section 15-703. Dissociated Partner's Liability to Other Persons.

1351 Section 15-704. Statement of Dissociation.

1352 Section 15-705. Continued Use of Partnership Name.

1353 SECTION 15-701. PURCHASE OF DISSOCIATED PARTNER'S PARTNERSHIP 1354 INTEREST.

1355 (a) If a partner is dissociated from a partnership without resulting in a dissolution and winding up
1356 of the partnership business or affairs under Section 15-801, the partnership shall cause the dissociated
1357 partner's interest in the partnership to be purchased for a buyout price determined pursuant to subsection
1358 (b).

1359 (b) The buyout price of a dissociated partner's partnership interest is an amount equal to the fair
1360 value of the partner's interest in the partnership. Interest must be paid from the date of dissociation to the
1361 date of payment.

1362 (c) Damages for wrongful dissociation under Section 15-602(b), and all other amounts owing,
1363 whether or not presently due, from the dissociated partner to the partnership, must be offset against the
1364 buyout price. Interest must be paid from the date the amount owed becomes due to the date of payment.

1365 (d) A partnership shall indemnify a dissociated partner whose partnership interest is being
1366 purchased against all partnership obligations, whether incurred before or after the dissociation, except
1367 partnership obligations incurred by an act of the dissociated partner under Section 15-702.

1368 (e) If no agreement for the purchase of a dissociated partner's partnership interest is reached
1369 within 120 days after a written demand for payment, the partnership shall pay, or cause to be paid, in cash
1370 to the dissociated partner the amount the partnership estimates to be the buyout price and accrued interest,
1371 reduced by any offsets and accrued interest under subsection (c).

1372 (f) If a deferred payment is authorized under subsection (h), the partnership may tender a written
1373 offer to pay the amount it estimates to be the buyout price and accrued interest, reduced by any offsets
1374 under subsection (c), stating the time of payment, the amount and type of security for payment, and the
1375 other terms and conditions of the obligation.

1376 (g) The payment or tender required by subsection (e) or (f) must be accompanied by the
1377 following:

- 1378 (1) a written statement of partnership assets and liabilities as of the date of dissociation;
1379 (2) the latest available partnership balance sheet and income statement, if any;
1380 (3) a written explanation of how the estimated amount of the payment was calculated; and
1381 (4) written notice which shall state that the payment is in full satisfaction of the obligation to
1382 purchase unless, within 120 days after the written notice, the dissociated partner commences an action in
1383 the Court of Chancery under (i) to determine the buyout price of that partner's partnership interest, any
1384 offsets under subsection (c) or other terms of the obligation to purchase.

1385 (h) A partner who wrongfully dissociates before the expiration of a definite term or the
1386 completion of a particular undertaking is not entitled to payment of any portion of the buyout price until
1387 the expiration of the term or completion of the undertaking, unless the partner establishes to the
1388 satisfaction of the Court of Chancery that earlier payment will not cause undue hardship to the business of

1389 the partnership. A deferred payment must bear interest and, to the extent it would not cause undue
1390 hardship to the business of the partnership, be adequately secured.

1391 (i) A dissociated partner may maintain an action against the partnership, pursuant to Section 15-
1392 405(b)(2)(ii), to determine the buyout price of that partner's partnership interest, any offsets under
1393 subsection (c), or other terms of the obligation to purchase. The action must be commenced within 120
1394 days after the partnership has tendered payment or an offer to pay or within one year after written demand
1395 for payment if no payment or offer to pay is tendered. The Court of Chancery shall determine the buyout
1396 price of the dissociated partner's partnership interest, any offset due under subsection (c), and accrued
1397 interest, and enter judgment for any additional payment or refund. If deferred payment is authorized
1398 under subsection (h), the Court of Chancery shall also determine the security, if any, for payment and
1399 other terms of the obligation to purchase. The Court of Chancery may assess reasonable attorney's fees
1400 and the fees and expenses of appraisers or other experts for a party to the action, in amounts the Court of
1401 Chancery finds equitable, against a party that the Court of Chancery finds acted arbitrarily, vexatiously or
1402 not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to
1403 pay or to comply with subsection (g).

1404 SECTION 15-702. DISSOCIATED PARTNER'S POWER TO BIND AND LIABILITY
1405 TO PARTNERSHIP.

1406

1407 (a) For one year after a partner dissociates without resulting in a dissolution and winding up of
1408 the partnership business, the partnership, including a surviving partnership under Subchapter IX, is bound
1409 by an act of the dissociated partner which would have bound the partnership under Section 15-301 before
1410 dissociation only if at the time of entering into the transaction the other party:

1411 (1) reasonably believed that the dissociated partner was then a partner and reasonably relied
1412 on such belief in entering into the transaction;

1413 (2) did not have notice of the partner's dissociation; and

1414 (3) is not deemed to have had knowledge under Section 15-303(c) or notice under Section 15-
1415 704(c).

1416 (b) A dissociated partner is liable to the partnership for any damage caused to the partnership
1417 arising from an obligation incurred by the dissociated partner after dissociation for which the partnership
1418 is liable under subsection (a).

1419 SECTION 15-703. DISSOCIATED PARTNER'S LIABILITY TO OTHER PERSONS.

1420 (a) A partner's dissociation does not of itself discharge the partner's liability for a partnership
1421 obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation
1422 incurred after dissociation, except as otherwise provided in subsection (b).

1423 (b) A partner who dissociates without resulting in a dissolution and winding up of the partnership
1424 business is liable as a partner to the other party in a transaction entered into by the partnership, or a
1425 surviving partnership under Subchapter IX, within one year after the partner's dissociation, only if the
1426 partner is liable for the obligation under Section 15-306 and at the time of entering into the transaction the
1427 other party:

1428 (1) reasonably believed that the dissociated partner was then a partner and reasonably relied
1429 on such belief in entering into the transaction;

1430 (2) did not have notice of the partner's dissociation; and

1431 (3) is not deemed to have had knowledge under Section 15-303(c) or notice under Section 15-
1432 704(c).

1433 (c) By agreement with the partnership creditor and the partners continuing the business, a
1434 dissociated partner may be released from liability for a partnership obligation.

1435 (d) A dissociated partner is released from liability for a partnership obligation if a partnership
1436 creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material
1437 alteration in the nature or time of payment of a partnership obligation.

1438 SECTION 15-704. STATEMENT OF DISSOCIATION.

1439 (a) A dissociated partner or, after the filing by the partnership of a statement of partnership
1440 existence, the partnership may file a statement of dissociation stating the name of the partnership and that
1441 the partner is dissociated from the partnership.

1442 (b) A statement of dissociation is a limitation on the authority of a dissociated partner for the
1443 purposes of Section 15-303(b) and (c).

1444 (c) For the purposes of Sections 15-702(a)(3) and 15-703(b)(3), a person not a partner is deemed
1445 to have notice of the dissociation 60 days after the statement of dissociation is filed.

1446 SECTION 15-705. CONTINUED USE OF PARTNERSHIP NAME.

1447 Continued use of a partnership name, or a dissociated partner's name as part thereof, by partners
1448 continuing the business does not of itself make the dissociated partner liable for an obligation of the
1449 partners or the partnership.

1450 SUBCHAPTER VIII

1451 WINDING UP PARTNERSHIP BUSINESS OR AFFAIRS

1452 Section 15-801. Events Causing Dissolution and Winding Up of Partnership Business or Affairs.

1453 Section 15-802. Partnership Continues After Dissolution.

1454 Section 15-803. Right to Wind Up Partnership Business or Affairs.

1455 Section 15-804. Partner's Power to Bind Partnership After Dissolution.

1456 Section 15-805. Statement of Dissolution.

1457 Section 15-806. Partner's Liability to Other Partners After Dissolution.

1458 Section 15-807. Settlement of Accounts and Contributions Among Partners.

1459 SECTION 15-801. EVENTS CAUSING DISSOLUTION AND WINDING UP OF
1460 PARTNERSHIP BUSINESS OR AFFAIRS.

1461 A partnership is dissolved, and its business must be wound up, only upon the occurrence of any of the
1462 following events:

1463 (1) in a partnership at will, the partnership's having notice from a partner, other than a partner
1464 who is dissociated under Section 15-601(2) through (12), of that partner's express will to withdraw as a

1465 partner, on a later date specified by the partner in the notice or, if no later date is specified, then upon
1466 receipt of notice;

1467 (2) in a partnership for a definite term or particular undertaking:

1468 (i) within 90 days after a partner's dissociation by death or otherwise under Section 15-601(6)
1469 through (12) or wrongful dissociation under Section 15-602(b), at least half of the remaining partners
1470 express the will to wind up the partnership business, for which purpose a partner's rightful dissociation
1471 pursuant to Section 15-602(b)(2)(i) constitutes the expression of that partner's will to wind up the
1472 partnership business;

1473 (ii) the express will of all of the partners to wind up the partnership business or affairs; or

1474 (iii) the expiration of the term or the completion of the undertaking;

1475 (3) an event agreed to in the partnership agreement resulting in the winding up of the partnership
1476 business or affairs;

1477 (4) an event that makes it unlawful for all or substantially all of the business or affairs of the
1478 partnership to be continued, but a cure of such illegality within 90 days after the partnership has notice of
1479 the event is effective retroactively to the date of the event for purposes of this section;

1480 (5) on application by or for a partner to the Court of Chancery, a determination by the Court of
1481 Chancery that:

1482 (i) the economic purpose of the partnership is likely to be unreasonably frustrated;

1483 (ii) another partner has engaged in conduct relating to the partnership business or affairs
1484 which makes it not reasonably practicable to carry on the business or affairs in partnership with that
1485 partner; or

1486 (iii) it is not otherwise reasonably practicable to carry on the partnership business or affairs in
1487 conformity with the partnership agreement; or

1488 (6) on application by a transferee of a partner's economic interest to the Court of Chancery, a
1489 determination by the Court of Chancery that it is equitable to wind up the partnership business or affairs:

1490 (i) after the expiration of the term or completion of the undertaking, if the partnership was for
1491 a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave
1492 rise to the transfer; or

1493 (ii) at any time, if the partnership was a partnership at will at the time of the transfer or entry
1494 of the charging order that gave rise to the transfer.

1495 SECTION 15-802. PARTNERSHIP CONTINUES AFTER DISSOLUTION.

1496 (a) Subject to subsection (b), a partnership continues after dissolution only for the purpose of
1497 winding up its business or affairs. The partnership is terminated when the winding up of its business or
1498 affairs is completed.

1499 (b) At any time after the dissolution of a partnership and before the winding up of its business or
1500 affairs is completed, all of the partners, including any dissociating partner other than a wrongfully
1501 dissociating partner, may waive the right to have the partnership's business or affairs wound up and the
1502 partnership terminated. In that event:

1503 (1) the partnership resumes carrying on its business or affairs as if dissolution had never
1504 occurred, and any liability incurred by the partnership or a partner after the dissolution and before the
1505 waiver is determined as if dissolution had never occurred; and

1506 (2) the rights of a third party accruing under Section 15-804(1) or arising out of conduct in
1507 reliance on the dissolution before the third party knew or received a notification of the waiver may not be
1508 adversely affected.

1509 SECTION 15-803. RIGHT TO WIND UP PARTNERSHIP BUSINESS OR AFFAIRS.

1510 (a) A partner at the time of dissolution, including a partner who has dissociated but not
1511 wrongfully, may participate in winding up the partnership's business or affairs, but on application of any
1512 partner or a partner's legal representative or transferee, the Court of Chancery for good cause shown, may
1513 order judicial supervision of the winding up.

1514 (b) The legal representative of the last surviving partner may wind up a partnership's business or
1515 affairs.

1516 (c) The persons winding up the partnership's business or affairs may, in the name of, and for and
1517 on behalf of, the partnership, prosecute and defend suits, whether civil, criminal or administrative,
1518 gradually settle and close the partnership's business or affairs, dispose of and convey the partnership's
1519 property, discharge or make reasonable provision for the partnership's liabilities, distribute to the partners
1520 pursuant to Section 15-807 any remaining assets of the partnership, and perform other acts which are
1521 necessary or convenient to the winding up of the partnership's business or affairs.

1522 SECTION 15-804. PARTNER'S POWER TO BIND PARTNERSHIP AFTER
1523 DISSOLUTION.

1524 Subject to Section 15-805, a partnership is bound by a partner's act after dissolution that:

- 1525 (1) is appropriate for winding up the partnership business or affairs; or
1526 (2) would have bound the partnership under Section 15-301 before dissolution, if the other party
1527 to the transaction did not have notice of the dissolution.

1528 SECTION 15-805. STATEMENT OF DISSOLUTION.

1529 (a) After dissolution, a partnership may file a statement of dissolution stating the name of the
1530 partnership and that the partnership has dissolved and is winding up its business or affairs.

1531 (b) A statement of dissolution cancels a filed statement of partnership existence for the purposes
1532 of Section 15-303(b) and is a limitation on authority for the purposes of Section 15-303(c).

1533 (c) For the purposes of Sections 15-301 and 15-804, a person not a partner is deemed to have
1534 notice of the dissolution and the limitation on the partners' authority as a result of a statement of
1535 dissolution 60 days after it is filed.

1536 (d) After filing a statement of dissolution, a dissolved partnership may file a statement of
1537 partnership existence which will operate with respect to a person not a partner as provided in Section 15-
1538 303(b) and (c) in any transaction, whether or not the transaction is appropriate for winding up the
1539 partnership business or affairs.

1540 (e) If a partnership which has dissolved fails or refuses to file a statement of dissolution,
1541 any partner or dissociated partner who is or may be adversely affected by the failure or refusal

1542 may petition the Court of Chancery to direct the filing. If the Court finds that the statement of
1543 dissolution should be filed and that the partnership has failed or refused to do so, it shall enter an
1544 order granting appropriate relief.

1545 SECTION 15-806. PARTNER'S LIABILITY TO OTHER PARTNERS AFTER
1546 DISSOLUTION.

1547 (a) Except as otherwise provided in subsection (b) and Section 15-306, after dissolution a partner
1548 is liable to the other partners for the partner's share of any partnership obligation incurred under Section
1549 15-804.

1550 (b) A partner who, with knowledge of the dissolution, causes the partnership to incur an
1551 obligation under Section 15-804(2) by an act that is not appropriate for winding up the partnership
1552 business or affairs is liable to the partnership for any damage caused to the partnership arising from the
1553 obligation.

1554 SECTION 15-807. SETTLEMENT OF ACCOUNTS AND CONTRIBUTIONS AMONG
1555 PARTNERS.

1556 (a) In winding up a partnership's business or affairs, the assets of the partnership, including the
1557 contributions of the partners required by this section, must be applied to pay or make reasonable provision
1558 to pay the partnership's obligations to creditors, including, to the extent permitted by law, partners who
1559 are creditors. Any surplus must be applied to pay in cash the net amount distributable to partners in
1560 accordance with their right to distributions under subsection (b).

1561 (b) Each partner is entitled to a settlement of all partnership accounts upon winding up the
1562 partnership business or affairs. In settling accounts among the partners, profits and losses that result from
1563 the liquidation of the partnership assets must be credited and charged to the partners' accounts. The
1564 partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the
1565 charges in the partner's account. A partner shall contribute to the partnership an amount equal to any
1566 excess of the charges over the credits in the partner's account but excluding from the calculation charges
1567 attributable to an obligation for which the partner is not personally liable under Section 15-306.

1568 (c) After the settlement of accounts, each partner shall contribute, in the proportion in which the
1569 partner shares partnership losses, the amount necessary to pay or make reasonable provision to pay
1570 partnership obligations that were not known at the time of the settlement and for which the partner is
1571 personally liable under Section 15-306.

1572 (d) If a partner fails to contribute, all of the other partners shall contribute, in the proportions in
1573 which those partners share partnership losses, the additional amount necessary to pay or make reasonable
1574 provision to pay the partnership obligations for which they are personally liable under Section 15-306.

1575 (e) A partner or partner's legal representative may recover from the other partners any
1576 contributions the partner makes to the extent the amount contributed exceeds that partner's share of the
1577 partnership obligations for which the partner is personally liable under Section 15-306.

1578 (f) The estate of a deceased partner is liable for the partner's obligation to contribute to the
1579 partnership.

1580 (g) An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by
1581 a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute
1582 to the partnership.

1583 (h) A limited liability partnership which has dissolved (i) shall pay or make reasonable provision
1584 to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims,
1585 known to the limited liability partnership, (ii) shall make such provision as will be reasonably likely to be
1586 sufficient to provide compensation for any claim against the limited liability partnership which is the
1587 subject of a pending action, suit or proceeding to which the limited liability partnership is a party and (iii)
1588 shall make such provision as will be reasonably likely to be sufficient to provide compensation for claims
1589 that have not been made known to the limited liability partnership or that have not arisen but that, based
1590 on facts known to the limited liability partnership, are likely to arise or to become known to the limited
1591 liability partnership within 10 years after the date of dissolution. If there are sufficient assets, such claims
1592 and obligations shall be paid in full and any such provision for payment made shall be made in full. If
1593 there are insufficient assets, such claims and obligations shall be paid or provided for according to their
1594 priority and, among claims of equal priority, ratably to the extent of assets available therefor. Unless

1595 otherwise provided in the partnership agreement, any remaining assets shall be distributed as provided in
1596 this chapter. Any liquidating trustee winding up a limited liability partnership's affairs who has complied
1597 with this section shall not be personally liable to the claimants of the dissolved limited liability
1598 partnership by reason of such person's actions in winding up the limited liability partnership.

1599 (i) A partner of a limited liability partnership who receives a distribution in violation of
1600 subsection (h) of this section, and who knew at the time of the distribution that the distribution violated
1601 subsection (h) of this section, shall be liable to the limited liability partnership for the amount of the
1602 distribution. A partner of a limited liability partnership who receives a distribution in violation of
1603 subsection (h) of this section, and who did not know at the time of the distribution that the distribution
1604 violated subsection (h) of this section, shall not be liable for the amount of the distribution. Subject to
1605 subsection (j) of this section, this subsection shall not affect any obligation or liability of a partner of a
1606 limited liability partnership under an agreement or other applicable law for the amount of a distribution.

1607 (j) Unless otherwise agreed, a partner of a limited liability partnership who receives a
1608 distribution from a limited liability partnership shall have no liability under this chapter or other
1609 applicable law for the amount of the distribution after the expiration of 3 years from the date of the
1610 distribution.

1611 (k) Section 15-309 of this chapter shall not apply to a distribution to which subsections (h), (i)
1612 and (j) of this section apply.

1613 SUBCHAPTER IX

1614 CONVERSION; MERGER; DOMESTICATION; AND TRANSFER

1615 Section 15-901. Conversion of Certain Entities to a Domestic Partnership.

1616 Section 15-902. Merger or Consolidation.

1617 Section 15-903. Approval of Conversion of a Domestic Partnership.

1618 Section 15-904. Domestication of Non-United States Entities.

1619 Section 15-905. Transfer or Continuance of Domestic Partnerships.

1620 SECTION 15-901. CONVERSION OF CERTAIN ENTITIES TO A DOMESTIC
1621 PARTNERSHIP.

1622 (a) As used in this section, the term ‘other entity’ means a corporation, a business trust or
1623 association, a real estate investment trust, a common-law trust or any other unincorporated business,
1624 including a limited partnership (including a limited liability limited partnership), a foreign partnership or
1625 a limited liability company.

1626 (b) Any other entity may convert to a domestic partnership (including a limited liability
1627 partnership) by complying with subsection (h) of this section and filing with the Secretary of State in
1628 accordance with Section 15-105 of this chapter:

1629 (1) A certificate of conversion to partnership that has been executed in accordance with
1630 Section 15-105 of this chapter; and

1631 (2) A statement of partnership existence that complies with Section 15-303 of this chapter
1632 and has been executed in accordance with Section 15-105 of this chapter.

1633 (c) The certificate of conversion to partnership shall state:

1634 (1) The date on which and jurisdiction where the other entity was first created, formed or
1635 otherwise came into being and, if it has changed, its jurisdiction immediately prior to its conversion to a
1636 domestic partnership;

1637 (2) The name of the other entity immediately prior to the filing of the certificate of
1638 conversion to partnership;

1639 (3) The name of the partnership as set forth in its statement of partnership existence filed in
1640 accordance with subsection (b) of this section; and

1641 (4) The future effective date or time (which shall be a date or time certain) of the conversion
1642 to a partnership if it is not to be effective upon the filing of the certificate of conversion to partnership and
1643 the statement of partnership existence.

1644 (d) Upon the filing with the Secretary of State of the certificate of conversion to partnership and
1645 the statement of partnership existence or upon the future effective date or time of the certificate of

1646 conversion to partnership and the statement of partnership existence, the other entity shall be converted
1647 into a domestic partnership and the partnership shall thereafter be subject to all of the provisions of this
1648 chapter, except that the existence of the partnership shall be deemed to have commenced on the date the
1649 other entity commenced its existence in the jurisdiction in which the other entity was first created,
1650 formed, incorporated or otherwise came into being.

1651 (e) The conversion of any other entity into a domestic partnership shall not be deemed to affect
1652 any obligations or liabilities of the other entity incurred prior to its conversion to a domestic partnership,
1653 or the personal liability of any person incurred prior to such conversion.

1654 (f) When any conversion shall have become effective under this section, for all purposes of the
1655 laws of the State of Delaware, all of the rights, privileges and powers of the other entity that has
1656 converted, and all property, real, personal and mixed, and all debts due to such other entity as well as all
1657 other things and causes of action belonging to such other entity, shall be vested in the domestic
1658 partnership and shall thereafter be the property of the domestic partnership as they were of the other entity
1659 that has converted, and the title to any real property vested by deed or otherwise in such other entity shall
1660 not revert or be in any way impaired by reason of this chapter; but all rights of creditors and all liens upon
1661 any property of such other entity shall be preserved unimpaired, and all debts, liabilities and duties of the
1662 other entity that has converted shall thenceforth attach to the domestic partnership, and may be enforced
1663 against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

1664 (g) Unless otherwise agreed, or as required under applicable non-Delaware law, the converting
1665 other entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the
1666 conversion shall not be deemed to constitute a dissolution of such other entity and shall constitute a
1667 continuation of the existence of the converting other entity in the form of a domestic partnership.

1668 (h) Prior to filing a certificate of conversion to partnership with the Secretary of State, the
1669 conversion shall be approved in the manner provided for by the document, instrument, agreement or other
1670 writing, as the case may be, governing the internal affairs of the other entity and the conduct of its
1671 business or by applicable law, as appropriate, and a partnership agreement shall be approved by the same
1672 authorization required to approve the conversion; provided, that in any event, such approval shall include

1673 the approval of any person who, at the effective date or time of the conversion, shall be a partner of the
1674 partnership.

1675 (i) The provisions of this section shall not be construed to limit the accomplishment of a change
1676 in the law governing, or the domicile of, an other entity to the State of Delaware by any other means
1677 provided for in a document, instrument, agreement or other writing, including by the amendment of any
1678 such document, instrument, agreement or other writing, or by applicable law.

1679 SECTION 15-902. MERGER OR CONSOLIDATION.

1680 (a) As used in this section, 'other business entity' means a corporation, a business trust or
1681 association, a real estate investment trust, a common-law trust, or an unincorporated business, including a
1682 limited liability company, a limited partnership (including a limited liability limited partnership) and a
1683 foreign partnership, but excluding a domestic partnership.

1684 (b) Pursuant to an agreement of merger or consolidation, 1 or more domestic partnerships may
1685 merge or consolidate with or into 1 or more domestic partnerships or 1 or more other business entities
1686 formed or organized under the laws of the State of Delaware or any other state or the United States or any
1687 foreign country or other foreign jurisdiction, or any combination thereof, with such domestic partnership
1688 or other business entity as the agreement shall provide being the surviving or resulting domestic
1689 partnership or other business entity. Unless otherwise provided in the partnership agreement, a merger or
1690 consolidation shall be approved by each domestic partnership which is to merge or consolidate by all of
1691 its partners. In connection with a merger or consolidation hereunder, rights or securities of, or interests
1692 in, a domestic partnership or other business entity which is a constituent party to the merger or
1693 consolidation may be exchanged for or converted into cash, property, rights or securities of, or interests
1694 in, the surviving or resulting domestic partnership or other business entity or, in addition to or in lieu
1695 thereof, may be exchanged for or converted into cash, property, rights or securities of, or interests in a
1696 domestic partnership or other business entity which is not the surviving or resulting domestic partnership
1697 or other business entity in the merger or consolidation. Notwithstanding prior approval, an agreement of

1698 merger or consolidation may be terminated or amended pursuant to a provision for such termination or
1699 amendment contained in the agreement of merger or consolidation.

1700 (c) If a domestic partnership is merging or consolidating under this section, (i) if the domestic
1701 partnership has not filed a statement of partnership existence, then the domestic partnership shall file a
1702 statement of partnership existence and (ii) the domestic partnership or other business entity surviving or
1703 resulting in or from the merger or consolidation shall file a certificate of merger or consolidation executed
1704 by at least one partner on behalf of the domestic partnership when it is the surviving or resulting entity
1705 with the Secretary of State. The certificate of merger or consolidation shall state:

1706 (1) The name and jurisdiction of formation or organization of each of the domestic
1707 partnerships and other business entities which is to merge or consolidate;

1708 (2) That an agreement of merger or consolidation has been approved and executed by each of
1709 the domestic partnerships and other business entities which is to merge or consolidate;

1710 (3) The name of the surviving or resulting domestic partnership or other business entity;

1711 (4) The future effective date or time (which shall be a date or time certain) of the merger or
1712 consolidation if it is not to be effective upon the filing of the certificate of merger or consolidation;

1713 (5) That the agreement of merger or consolidation is on file at a place of business of the
1714 surviving or resulting domestic partnership or other business entity, and shall state the address thereof;

1715 (6) That a copy of the agreement of merger or consolidation will be furnished by the
1716 surviving or resulting domestic partnership or other business entity, on request and without cost, to any
1717 partner of any domestic partnership or any person holding an interest in any other business entity which is
1718 to merge or consolidate; and

1719 (7) If the surviving or resulting entity is not formed, organized or created under the laws of
1720 the State of Delaware, a statement that such surviving or resulting entity agrees that it may be served with
1721 process in the State of Delaware in any action, suit or proceeding for the enforcement of any obligation of
1722 any domestic partnership which is to merge or consolidate, irrevocably appointing the Secretary of State
1723 as its agent to accept service of process in any such action, suit or proceeding and specifying the address
1724 to which a copy of such process shall be mailed to it by the Secretary of State. In the event of service

1725 hereunder upon the Secretary of State, the procedures set forth in Section 15-113(b) of this chapter shall
1726 be applicable, except that the plaintiff in any such action, suit or proceeding shall furnish the Secretary of
1727 State with the address specified in the certificate of merger or consolidation provided for in this section
1728 and any other address which the plaintiff may elect to furnish, together with copies of each process as
1729 required by the Secretary of State, and the Secretary of State shall notify such surviving or resulting entity
1730 at all such addresses furnished by the plaintiff in accordance with the procedures set forth in Section 15-
1731 113(b) of this chapter.

1732 (d) Any failure to file a certificate of merger or consolidation in connection with a merger or
1733 consolidation which occurred prior to the effective date of this chapter shall not affect the validity or
1734 effectiveness of any such merger or consolidation.

1735 (e) Any failure to file a certificate of merger or consolidation in connection with a merger or
1736 consolidation which occurred prior to the effective date of this chapter shall not affect the validity or
1737 effectiveness of any such merger or consolidation.

1738 (f) Unless a future effective date or time is provided in a certificate of merger or consolidation,
1739 in which event a merger or consolidation shall be effective at any such future effective date or time, a
1740 merger or consolidation shall be effective upon the filing with the Secretary of State of a certificate of
1741 merger or consolidation. If a certificate of merger or consolidation provides for a future effective date or
1742 time and if an agreement of merger or consolidation is amended to change the future effective date or
1743 time, or if an agreement of merger or consolidation permits a certificate of merger or consolidation to be
1744 amended to change the future effective date or time without an amendment to the agreement of merger or
1745 consolidation, or if an agreement of merger or consolidation is amended to change any other matter
1746 described in the certificate of merger or consolidation so as to make the certificate of merger or
1747 consolidation false in any material respect, as permitted by Section 15-902(b) of this chapter prior to the
1748 future effective date or time, the certificate of merger or consolidation shall be amended by the filing of a
1749 certificate of amendment of a certificate of merger or consolidation which shall identify the certificate of
1750 merger or consolidation and the agreement of merger or consolidation, if applicable, which has been
1751 amended and shall state that the agreement of merger or consolidation, if applicable, has been amended

1752 and shall set forth the amendment to the certificate of merger or consolidation. If a certificate of merger
1753 or consolidation provides for a future effective date or time and if an agreement of merger or
1754 consolidation is terminated as permitted by subsection (b) of this section prior to the future effective date
1755 or time, the certificate of merger or consolidation shall be terminated by the filing of a certificate of
1756 termination of a merger or consolidation which shall identify the certificate of merger or consolidation
1757 and the agreement of merger or consolidation which has been terminated and shall state that the
1758 agreement of merger or consolidation has been terminated.

1759 (g) A certificate of merger or consolidation shall act as a certificate of cancellation of the
1760 statement of partnership existence for a domestic partnership which is not the surviving or resulting entity
1761 in the merger or consolidation. Whenever this section requires the filing of a certificate of merger or
1762 consolidation, such requirement shall be deemed satisfied by the filing of an agreement of merger or
1763 consolidation containing the information required by this section to be set forth in the certificate of
1764 merger or consolidation.

1765 (h) An agreement of merger or consolidation approved in accordance with subsection (b) of this
1766 section may (1) effect any amendment to the partnership agreement or (2) effect the adoption of a new
1767 partnership agreement for a domestic partnership if it is the surviving or resulting partnership in the
1768 merger or consolidation. Any amendment to a partnership agreement or adoption of a new partnership
1769 agreement made pursuant to the foregoing sentence shall be effective at the effective time or date of the
1770 merger or consolidation. The provisions of this subsection shall not be construed to limit the
1771 accomplishment of a merger or of any of the matters referred to herein by any other means provided for in
1772 a partnership agreement or other agreement or as otherwise permitted by law, including that the
1773 partnership agreement of any constituent domestic partnership to the merger or consolidation (including a
1774 domestic partnership formed for the purpose of consummating a merger or consolidation) shall be the
1775 partnership agreement of the surviving or resulting domestic partnership.

1776 (i) When any merger or consolidation shall have become effective under this section, for all
1777 purposes of the laws of the State of Delaware, all of the rights, privileges and powers of each of the
1778 domestic partnerships and other business entities that have merged or consolidated, and all property, real,

1779 personal and mixed, and all debts due to any of said domestic partnerships and other business entities, as
1780 well as all other things and causes of action belonging to each of such domestic partnerships and other
1781 business entities, shall be vested in the surviving or resulting domestic partnership or other business
1782 entity, and shall thereafter be the property of the surviving or resulting domestic partnership or other
1783 business entity as they were of each of the domestic partnerships and other business entities that have
1784 merged or consolidated, and the title to any real property vested by deed or otherwise, under the laws of
1785 the State of Delaware, in any of such domestic partnerships and other business entities, shall not revert or
1786 be in any way impaired by reason of this chapter; but all rights of creditors and all liens upon any property
1787 of any of said domestic partnerships and other business entities shall be preserved unimpaired, and all
1788 debts, liabilities and duties of each of the said domestic partnerships and other business entities that have
1789 merged or consolidated shall thenceforth attach to the surviving or resulting domestic partnership or other
1790 business entity, and may be enforced against it to the same extent as if said debts, liabilities and duties
1791 had been incurred or contracted by it. Unless otherwise agreed, a merger or consolidation of a domestic
1792 partnership, including a domestic partnership which is not the surviving or resulting entity in the merger
1793 or consolidation, shall not require such domestic partnership to wind up its affairs under Subchapter VIII
1794 or pay its liabilities and distribute its assets under Subchapter VIII.

1795 (j) Except as provided by agreement with a person to whom a partner of a domestic partnership
1796 is obligated, a merger or consolidation of a domestic partnership that has become effective shall not affect
1797 any obligation or liability existing at the time of such merger or consolidation of a partner of a domestic
1798 partnership which is merging or consolidating.

1799 (k) If a domestic partnership is a constituent party to a merger or consolidation that shall have
1800 become effective, but the domestic partnership is not the surviving or resulting entity of the merger or
1801 consolidation, then a judgment creditor of a partner of such domestic partnership may not levy execution
1802 against the assets of the partner to satisfy a judgment based on a claim against the surviving entity of the
1803 merger or consolidation unless:

1804 (1) The claim is for an obligation of the domestic partnership for which the partner is liable
1805 as provided in Section 15-306 and either:

1806 (i) A judgment based on the same claim has been obtained against the surviving or
1807 resulting entity of the merger or consolidation and a writ of execution on the judgment has been returned
1808 unsatisfied in whole or in part;

1809 (ii) The surviving or resulting entity of the merger or consolidation is a debtor in
1810 bankruptcy;

1811 (iii) The partner has agreed that the creditor need not exhaust the assets of the domestic
1812 partnership that was not the surviving or resulting entity of the merger or consolidation; or

1813 (iv) The partner has agreed that the creditor need not exhaust the assets of the surviving
1814 or resulting entity of the merger or consolidation;

1815 (2) A court grants permission to the judgment creditor to levy execution against the assets of
1816 the partner based on a finding that the assets of the surviving or resulting entity of the merger or
1817 consolidation that are subject to execution are clearly insufficient to satisfy the judgment, that exhaustion
1818 of the assets of the surviving or resulting entity of the merger or consolidation is excessively burdensome,
1819 or that the grant of permission is an appropriate exercise of the court's equitable powers; or

1820 (3) Liability is imposed on the partner by law or contract independent of the existence of the
1821 surviving or resulting entity of the merger or consolidation.

1822 SECTION 15-903. APPROVAL OF CONVERSION OF A DOMESTIC PARTNERSHIP.

1823 A domestic partnership may convert to a business trust or association, a real estate
1824 investment trust, a common-law trust, a limited partnership (including a registered limited
1825 liability limited partnership), a limited liability company or a corporation, organized, formed or
1826 created under the laws of the State of Delaware, upon the authorization of such conversion in
1827 accordance with this section. If the partnership agreement specifies the manner of authorizing a
1828 conversion of the partnership, the conversion shall be authorized as specified in the partnership
1829 agreement. If the partnership agreement does not specify the manner of authorizing a conversion
1830 of the partnership and does not prohibit a conversion of the partnership, the conversion shall be
1831 authorized in the same manner as is specified in the partnership agreement for authorizing a

1832 merger or consolidation that involves the partnership as a constituent party to the merger or
1833 consolidation. If the partnership agreement does not specify the manner of authorizing a
1834 conversion of the partnership or a merger or consolidation that involves the partnership as a
1835 constituent party and does not prohibit a conversion of the partnership, the conversion shall be
1836 authorized by the approval by all partners.

1837 SECTION 15-904. DOMESTICATION OF NON-UNITED STATES ENTITIES.

1838 (a) As used in this section, ‘non-United States entity’ means a foreign limited partnership (other
1839 than one formed under the laws of a state) (including a foreign limited liability limited partnership (other
1840 than one formed under the laws of a state)), or a corporation, a business trust or association, a real estate
1841 investment trust, a common-law trust or any other unincorporated business, including a general
1842 partnership (including a limited liability partnership) or a limited liability company, formed, incorporated,
1843 created or that otherwise came into being under the laws of any foreign country or other foreign
1844 jurisdiction (other than any state).

1845 (b) Any non-United States entity may become domesticated as a partnership in the State of
1846 Delaware by complying with subsection (g) of this section and filing with the Secretary of State in
1847 accordance with Section 15-105 of this chapter:

1848 (1) A certificate of partnership domestication that has been executed in accordance with
1849 Section 15-105 of this chapter; and

1850 (2) A statement of partnership existence that complies with Section 15-303 of this chapter
1851 and has been executed in accordance with Section 15-105 of this chapter.

1852 (c) The certificate of partnership domestication shall state:

1853 (1) The date on which and jurisdiction where the non-United States entity was first formed,
1854 incorporated, created or otherwise came into being;

1855 (2) The name of the non-United States entity immediately prior to the filing of the certificate
1856 of partnership domestication;

1857 (3) The name of the partnership as set forth in the statement of partnership existence filed in
1858 accordance with subsection (b) of this section;

1859 (4) The future effective date or time (which shall be a date or time certain) of the
1860 domestication as a partnership if it is not to be effective upon the filing of the certificate of partnership
1861 domestication and the statement of partnership existence; and

1862 (5) The jurisdiction that constituted the seat, siege social, or principal place of business or
1863 central administration of the non-United States entity, or any other equivalent thereto under applicable
1864 law, immediately prior to the filing of the certificate of partnership domestication.

1865 (d) Upon the filing with the Secretary of State of the certificate of partnership domestication and
1866 the statement of partnership existence or upon the future effective date or time of the certificate of
1867 partnership domestication and the statement of partnership existence, the non-United States entity shall be
1868 domesticated as a partnership in the State of Delaware and the partnership shall thereafter be subject to all
1869 of the provisions of this chapter, provided that the existence of the partnership shall be deemed to have
1870 commenced on the date the non-United States entity commenced its existence in the jurisdiction in which
1871 the non-United States entity was first formed, incorporated, created or otherwise came into being.

1872 (e) The domestication of any non-United States entity as a partnership in the State of Delaware
1873 shall not be deemed to affect any obligations or liabilities of the non-United States entity incurred prior to
1874 its domestication as a partnership in the State of Delaware, or the personal liability of any person therefor.

1875 (f) The filing of a certificate of partnership domestication shall not affect the choice of law
1876 applicable to the non-United States entity, except that from the effective date or time of the domestication,
1877 the laws of the State of Delaware, including the provisions of this chapter, shall apply to the non-United
1878 States entity to the same extent as if the non-United States entity had been formed as a partnership on that
1879 date.

1880 (g) Prior to filing a certificate of partnership domestication with the Secretary of State, the
1881 domestication shall be approved in the manner provided for by the document, instrument, agreement or
1882 other writing, as the case may be, governing the internal affairs of the non-United States entity and the
1883 conduct of its business or by applicable non-Delaware law, as appropriate, and a partnership agreement

1884 shall be approved by the same authorization required to approve the domestication; provided that, in any
1885 event, such approval shall include the approval of any person who, at the effective date or time of the
1886 domestication, shall be a partner of the partnership.

1887 (h) When any domestication shall have become effective under this section, for all purposes
1888 of the laws of the State of Delaware, all of the rights, privileges and powers of the non-United States
1889 entity that has been domesticated, and all property, real, personal and mixed, and all debts due to such
1890 non-United States entity, as well as all other things and causes of action belonging to such non-United
1891 States entity, shall be vested in the domestic partnership and shall thereafter be the property of the
1892 domestic partnership as they were of the non-United States entity immediately prior to its domestication,
1893 and the title to any real property vested by deed or otherwise in such non-United States entity shall not
1894 revert or be in any way impaired by reason of this chapter; but all rights of creditors and all liens upon
1895 any property of such non-United States entity shall be preserved unimpaired, and all debts, liabilities and
1896 duties of the non-United States entity that has been domesticated shall thenceforth attach to the domestic
1897 partnership, and may be enforced against it to the same extent as if said debts, liabilities and duties had
1898 been incurred or contracted by the domestic partnership.

1899 SECTION 15-905. TRANSFER OR CONTINUANCE OF DOMESTIC
1900 PARTNERSHIPS.

1901 (a) Upon compliance with the provisions of this section, any domestic partnership may
1902 transfer to or domesticate in any jurisdiction, other than any state, that permits the transfer to or
1903 domestication in such jurisdiction of a partnership and, in connection therewith, may elect to
1904 continue its existence as a partnership in the State of Delaware.

1905 (b) Unless otherwise provided in a partnership agreement, the transfer or domestication or
1906 continuance described in subsection (a) of this section shall be approved in writing by all of the partners.
1907 If all of the partners of the partnership or such other vote as may be stated in a partnership agreement shall
1908 approve the transfer or domestication described in subsection (a) of this section, a certificate of transfer if
1909 the partnership's existence as a partnership of the State of Delaware is to cease, or a certificate of transfer

1910 and continuance if the partnership's existence as a partnership in the State of Delaware is to continue,
1911 executed in accordance with Section 15-105 of this chapter, shall be filed with the Secretary of State in
1912 accordance with Section 15-105 of this chapter. The certificate of transfer or the certificate of transfer
1913 and continuance shall state:

1914 (1) The name of the partnership;

1915 (2) The date of the filing of its original statement of partnership existence with the Secretary
1916 of State, if any;

1917 (3) The jurisdiction to which the partnership shall be transferred or in which it shall be
1918 domesticated;

1919 (4) The future effective date or time (which shall be a date or time certain) of the transfer or
1920 domestication to the jurisdiction specified in subsection (b)(3) of this section if it is not to be effective
1921 upon the filing of the certificate of transfer or the certificate of transfer and continuance;

1922 (5) That the transfer or domestication or continuance of the partnership has been approved in
1923 accordance with the provisions of this section;

1924 (6) In the case of a certificate of transfer, (i) that the existence of the partnership as a
1925 partnership of the State of Delaware shall cease when the certificate of transfer becomes effective and (ii)
1926 the agreement of the partnership that it may be served with process in the State of Delaware in any action,
1927 suit or proceeding for enforcement of any obligation of the partnership arising while it was a partnership
1928 of the State of Delaware, and that it irrevocably appoints the Secretary of State as its agent to accept
1929 service of process in any such action, suit or proceeding;

1930 (7) The address to which a copy of the process referred to in subsection (b)(6) of this section
1931 shall be mailed to it by the Secretary of State. In the event of service hereunder upon the Secretary of
1932 State, the procedures set forth in Section 15-113(b) of this chapter shall be applicable, except that the
1933 plaintiff in any such action, suit or proceeding shall furnish the Secretary of State with the address
1934 specified in this subsection and any other address that the plaintiff may elect to furnish, together with
1935 copies of such process as required by the Secretary of State, and the Secretary of State shall notify the
1936 partnership that has transferred or domesticated out of the State of Delaware at all such addresses

1937 furnished by the plaintiff in accordance with the procedures set forth in Section 15-113(b) of this chapter;
1938 and

1939 (8) In the case of a certificate of transfer and continuance, that the partnership will continue
1940 to exist as a partnership of the State of Delaware after the certificate of transfer and continuance becomes
1941 effective.

1942 (c) Upon the filing with the Secretary of State of the certificate of transfer or upon the future
1943 effective date or time of the certificate of transfer and payment to the Secretary of State of all fees
1944 prescribed in this chapter, the Secretary of State shall certify that the partnership has filed all documents
1945 and paid all fees required by this chapter, and thereupon the partnership shall cease to exist as a
1946 partnership of the State of Delaware. Such certificate of the Secretary of State shall be prima facie
1947 evidence of the transfer or domestication by such partnership out of the State of Delaware.

1948 (d) The transfer or domestication of a partnership out of the State of Delaware in accordance
1949 with this section and the resulting cessation of its existence as a partnership of the State of Delaware
1950 pursuant to a certificate of transfer shall not be deemed to affect any obligations or liabilities of the
1951 partnership incurred prior to such transfer or domestication or the personal liability of any person incurred
1952 prior to such transfer or domestication, nor shall it be deemed to affect the choice of law applicable to the
1953 partnership with respect to matters arising prior to such transfer or domestication.

1954 (e) If a partnership files a certificate of transfer and continuance, (i) at the time of the filing of the
1955 certificate of transfer and continuance, the partnership shall file a statement of partnership existence that
1956 complies with Section 15-303 of this chapter and has been executed in accordance with Section 15-105 of
1957 this chapter, if not previously filed, and (ii) after the time the certificate of transfer and continuance
1958 becomes effective, the partnership shall continue to exist as a partnership of the State of Delaware, and
1959 the laws of the State of Delaware, including the provisions of this chapter, shall apply to the partnership,
1960 to the same extent as prior to such time.

1961 SUBCHAPTER X

1962 LIMITED LIABILITY PARTNERSHIP

1963 Section 15-1001. Statement of Qualification.

1964 Section 15-1002. Name.

1965 Section 15-1003. Annual Report.

1966 SECTION 15-1001. STATEMENT OF QUALIFICATION.

1967 (a) A partnership may become a limited liability partnership pursuant to this section.

1968 (b) The terms and conditions on which a partnership becomes a limited liability partnership must
1969 be approved by the vote necessary to amend the partnership agreement except, in the case of a partnership
1970 agreement that expressly considers obligations to contribute to the partnership, the vote necessary to
1971 amend those provisions.

1972 (c) After the approval required by subsection (b), a partnership may become a limited liability
1973 partnership by filing a statement of qualification. The statement of qualification must contain:

1974 (1) the name of the partnership;

1975 (2) the address of the registered office and the name and address of the registered agent for
1976 service of process required to be maintained by Section 15-111 of this chapter;

1977 (3) the number of partners of the partnership;

1978 (4) a statement that the partnership elects to be a limited liability partnership; and

1979 (5) the future effective date or time (which shall be a date or time certain) of the statement of
1980 qualification if it is not to be effective upon the filing of the statement of qualification.

1981 (d) The status of a partnership as a limited liability partnership is effective on the later of the
1982 filing of the statement of qualification or a future effective date or time specified in the statement of
1983 qualification. The status as a limited liability partnership remains effective, regardless of changes in the
1984 partnership, until it is canceled pursuant to Section 15-105(d) of this chapter or revoked pursuant to
1985 Section 15-1003 of this chapter.

1986 (e) A partnership is a limited liability partnership if there has been substantial compliance with
1987 the requirements of this subchapter. The status of a partnership as a limited liability partnership and the

1988 liability of its partners is not affected by errors or later changes in the information required to be
1989 contained in the statement of qualification under subsection (c).

1990 (f) The filing of a statement of qualification establishes that a partnership has satisfied all
1991 conditions precedent to the qualification of the partnership as a limited liability partnership.

1992 (g) An amendment or cancellation of a statement of qualification is effective when it is filed or
1993 on a future effective date or time specified in the amendment or cancellation.

1994 (h) If a person is included in the number of partners of a limited liability partnership set forth in a
1995 statement of qualification, a statement of foreign qualification or an annual report, the inclusion of such
1996 person shall not be admissible as evidence in any action, suit or proceeding, whether civil, criminal,
1997 administrative or investigative, for the purpose of determining whether such person is liable as a partner
1998 of such limited liability partnership. The status of a partnership as a limited liability partnership and the
1999 liability of a partner of such limited liability partnership shall not be adversely affected if the number of
2000 partners stated in a statement of qualification, a statement of foreign qualification or an annual report is
2001 erroneously stated provided that the statement of qualification, the statement of foreign qualification or
2002 the annual report was filed in good faith.

2003 SECTION 15-1002. NAME. The name of a limited liability partnership shall comply with Section
2004 15-108 of this chapter.

2005 SECTION 15-1003. ANNUAL REPORT.

2006 (a) A limited liability partnership, and a foreign limited liability partnership authorized to
2007 transact business in the State of Delaware, shall file an annual report with the Secretary of State which
2008 contains:

2009 (1) the name of the limited liability partnership and the state or other jurisdiction under whose
2010 laws the foreign limited liability partnership is formed and the number of partners of the partnership; and

2011 (2) the address of the registered office and the name and address of the registered agent for
2012 service of process required to be maintained by Section 15-111 of this chapter.

2013 (b) An annual report must be filed by the first day of June of each year following the calendar
2014 year in which a partnership files a statement of qualification or a foreign partnership becomes authorized
2015 to transact business in the State of Delaware.

2016 (c) The Secretary of State may revoke the statement of qualification or statement of foreign
2017 qualification of a partnership that fails to file an annual report when due or pay the required filing fee. To
2018 do so, the Secretary of State shall provide the partnership at least 60 days' written notice of intent to
2019 revoke the statement of qualification or statement of foreign qualification. The notice must be mailed to
2020 the partnership at its registered office set forth in the last filed statement of qualification or statement of
2021 foreign qualification or annual report. The notice must specify the annual report that has not been filed,
2022 the fee that has not been paid, and the effective date of the revocation. The revocation is not effective if
2023 the annual report is filed and the fee is paid before the effective date of the revocation.

2024 (d) A revocation under subsection (c) only affects a partnership's status as a limited liability
2025 partnership and is not an event of dissolution of the partnership.

2026 (e) A partnership whose statement of qualification or statement of foreign qualification has been
2027 revoked may apply to the Secretary of State for reinstatement within three years after the effective date of
2028 the revocation. The application must state:

2029 (1) the name of the partnership and the effective date of the revocation; and

2030 (2) that the ground for revocation either did not exist or has been corrected.

2031 (f) A reinstatement under subsection (e) relates back to and takes effect as of the effective date of
2032 the revocation, and the partnership's status as a limited liability partnership continues as if the revocation
2033 had never occurred.

2034 SUBCHAPTER XI

2035 FOREIGN LIMITED LIABILITY PARTNERSHIP

2036 Section 15-1101. Law Governing Foreign Limited Liability Partnership.

2037 Section 15-1102. Statement of Foreign Qualification.

2038 Section 15-1103. Effect of Failure to Qualify.

2039 Section 15-1104. Activities Not Constituting Transacting Business.

2040 Section 15-1105. Foreign Limited Liability Partnerships Doing Business Without Having
2041 Qualified; Injunctions.

2042 SECTION 15-1101. LAW GOVERNING FOREIGN LIMITED LIABILITY
2043 PARTNERSHIP.

2044 (a) The law under which a foreign limited liability partnership is formed governs relations among
2045 the partners and between the partners and the partnership and the liability of partners for obligations of
2046 the partnership.

2047 (b) A foreign limited liability partnership may not be denied a statement of foreign qualification
2048 by reason of any difference between the law under which the partnership was formed and the law of the
2049 State of Delaware.

2050 (c) A statement of foreign qualification does not authorize a foreign limited liability partnership
2051 to engage in any business or exercise any power that a partnership may not engage in or exercise in the
2052 State of Delaware as a limited liability partnership.

2053 SECTION 15-1102. STATEMENT OF FOREIGN QUALIFICATION.

2054 (a) Before doing business in the State of Delaware, a foreign limited liability partnership shall
2055 register with the Secretary of State by filing a statement of foreign qualification. The statement of foreign
2056 qualification must contain:

2057 (1) the name of the foreign limited liability partnership which satisfies the requirements of the
2058 State or other jurisdiction under whose law it is formed and ends with the words 'Registered Limited
2059 Liability Partnership' or 'Limited Liability Partnership,' the abbreviation 'R.L.L.P.' or 'L.L.P.' or the
2060 designation 'RLLP' or 'LLP';

2061 (2) the address of the registered office and the name and address of the registered agent for
2062 service of process required to be maintained by Section 15-111 of this chapter;

2063 (3) the number of partners of the partnership; and

2064 (4) the future effective date or time (which shall be a date or time certain) of the statement of
2065 foreign qualification if it is not to be effective upon the filing of the statement of foreign qualification.

2066 (b) The status of a partnership as a foreign limited liability partnership is effective on the later of
2067 the filing of the statement of foreign qualification or the future effective date or time specified in the
2068 statement of foreign qualification. The status remains effective, regardless of changes in the partnership,
2069 until it is canceled pursuant to Section 15-105(d) of this chapter or revoked pursuant to Section 15-1003
2070 of this chapter.

2071 (c) An amendment or cancellation of a statement of foreign qualification is effective when it is
2072 filed or on the future effective date or time specified in the amendment or cancellation.

2073 SECTION 15-1103. EFFECT OF FAILURE TO QUALIFY.

2074 (a) A foreign limited liability partnership doing business in the State of Delaware may not
2075 maintain an action or proceeding in the State of Delaware until it has in effect a statement of foreign
2076 qualification and has paid to the State of Delaware all fees and penalties for the years or parts thereof
2077 during which it did business in the State of Delaware without such qualification.

2078 (b) The failure of a foreign limited liability partnership to have in effect a statement of foreign
2079 qualification does not impair the validity of a contract or act of the foreign limited liability partnership or
2080 preclude it from defending an action or proceeding in the State of Delaware or does not impair the right of
2081 any other party to a contract to maintain any action, suit or proceeding on the contract.

2082 (c) A limitation on personal liability of a partner is not waived solely by doing business in the
2083 State of Delaware without a statement of foreign qualification having been filed.

2084 (d) If a foreign limited liability partnership does business in the State of Delaware without a
2085 statement of foreign qualification having been filed, the Secretary of State is its agent for service of
2086 process with respect to a right of action arising out of the doing of business in the State of Delaware and
2087 service of process may be made in accordance with the procedures set forth in Section 15-113 of this
2088 chapter.

2089 SECTION 15-1104. ACTIVITIES NOT CONSTITUTING DOING BUSINESS.

2090 (a) Activities of a foreign limited liability partnership in the State of Delaware which do not
2091 constitute doing business for the purpose of this subchapter include:

- 2092 (1) maintaining, defending or settling an action or proceeding;
- 2093 (2) holding meetings of its partners or carrying on any other activity concerning its internal
- 2094 affairs;
- 2095 (3) maintaining bank accounts;
- 2096 (4) maintaining offices or agencies for the transfer, exchange or registration of the
- 2097 partnership's own securities or maintaining trustees or depositories with respect to those securities;
- 2098 (5) selling through independent contractors;
- 2099 (6) soliciting or obtaining orders, whether by mail or through employees or agents or
- 2100 otherwise, if the orders require acceptance outside the State of Delaware before they become contracts;
- 2101 (7) creating or acquiring indebtedness, with or without a mortgage, or other security interest
- 2102 in property;
- 2103 (8) collecting debts or foreclosing mortgages or other security interests in property securing
- 2104 the debts, and holding, protecting and maintaining property so acquired;
- 2105 (9) conducting an isolated transaction that is not one in the course of similar transactions; and
- 2106 (10) doing business in interstate commerce.

2107 (b) A person shall not be deemed to be doing business in the State of Delaware solely by reason

2108 of being a partner in a partnership.

2109 (c) This section does not apply in determining whether a foreign limited liability

2110 partnership is subject to service of process, taxation or regulation under any other law of the

2111 State of Delaware.

2112 SECTION 15-1105. FOREIGN LIMITED LIABILITY PARTNERSHIPS DOING

2113 BUSINESS WITHOUT HAVING QUALIFIED; INJUNCTIONS.

2114 (a) The Court of Chancery shall have jurisdiction to enjoin any foreign limited liability

2115 partnership, or any agent thereof, from doing any business in the State of Delaware if such foreign limited

2116 liability partnership has failed to register under this subchapter or if such foreign limited liability

2117 partnership's statement of foreign qualification contains false or misleading representations. The Attorney

2118 General shall, upon his own motion or upon the relation of proper parties, proceed for this purpose by
2119 complaint in any county in which such foreign limited liability partnership is doing or has done business.

2120 (b) Any foreign limited liability partnership doing business in the State of Delaware without first
2121 having registered shall pay to the Secretary of State a fee of \$200 for each year or part thereof during
2122 which the foreign limited liability partnership failed to register in the State of Delaware.

2123 SUBCHAPTER XII

2124 MISCELLANEOUS PROVISIONS

2125 Section 15-1201. Uniformity of Application and Construction.

2126 Section 15-1202. Short Title.

2127 Section 15-1203. Severability.

2128 Section 15-1204. Effective Date.

2129 Section 15-1205. Repeals.

2130 Section 15-1206. Applicability.

2131 Section 15-1207. Fees.

2132 Section 15-1208. Annual Tax of Partnership.

2133 Section 15-1209. Cancellation of Statement of Partnership Existence for Failure to Pay Annual
2134 Tax.

2135 Section 15-1210. Revival of Partnership.

2136 SECTION 15-1201. UNIFORMITY OF APPLICATION AND CONSTRUCTION. This chapter
2137 shall be applied and construed to effectuate its general purpose to make uniform the law with respect to
2138 the subject of this chapter among states enacting it. The rule that statutes in derogation of the common
2139 law are to be strictly construed shall have no application to this chapter.

2140 SECTION 15-1202. SHORT TITLE. This chapter may be cited as the Delaware Revised Uniform
2141 Partnership Act.

2142 SECTION 15-1203. SEVERABILITY CLAUSE. If any provision of this chapter or its application to
2143 any person or circumstance is held invalid, the invalidity does not affect other provisions or applications

2144 of this chapter which can be given effect without the invalid provision or application, and to this end the
2145 provisions of this chapter are severable.

2146 SECTION 15-1204.EFFECTIVE DATE. This chapter takes effect January 1, 2000.

2147 SECTION 15-1205.REPEALS. Except with respect to limited partnerships (see 6 Del. C. § 17-
2148 1105), effective January 1, 2002, the Delaware Uniform Partnership Law, 6 Del. C. § 1501 - § 1553 is
2149 repealed.

2150 SECTION 15-1206.APPLICABILITY.

2151 (a) Before January 1, 2002, this chapter governs only a partnership formed:

2152 (1) after the effective date of this chapter, except a partnership that is continuing the business
2153 of a dissolved partnership under 6 Del. C. § 1541; and

2154 (2) before the effective date of this chapter, that elects, as provided by subsection (c), to be
2155 governed by this chapter.

2156 (b) On and after January 1, 2002, this chapter governs all partnerships.

2157 (c) Before January 1, 2002, a partnership voluntarily may elect, in the manner provided in its
2158 partnership agreement or by law for amending the partnership agreement, to be governed by this chapter.
2159 The provisions of this chapter relating to the liability of the partnership's partners to third parties apply to
2160 limit those partners' liability to a third party who had done business with the partnership within one year
2161 before the partnership's election to be governed by this chapter only if the third party knows or has
2162 received a notification of the partnership's election to be governed by this chapter.

2163 SECTION 15-1207. FEES.

2164 (a) No document required to be filed under this chapter shall be effective until the applicable fee
2165 required by this section is paid. The following fees shall be paid to and collected by the Secretary of State
2166 for the use of the State of Delaware:

2167 (1) Upon the receipt for filing of any statement or certificate, a fee in the amount of \$100.00.

2168 (2) Upon the receipt for filing of an application for reservation of name, an application for
2169 renewal of reservation or a notice of transfer or cancellation of reservation pursuant to Section 15-109 of
2170 this chapter, a fee in the amount of \$75.

2171 (3) Upon the receipt for filing of a statement of qualification, a statement of foreign
2172 qualification or an annual report for a limited liability partnership or a foreign limited liability partnership,
2173 a fee in the amount of \$100 for each partner, but in no event shall the fee payable for any year with
2174 respect to a limited liability partnership or a foreign limited liability partnership under this section be
2175 more than \$120,000.

2176 (4) For certifying copies of any paper on file as provided for by this chapter, a fee in the
2177 amount of \$20 for each copy certified.

2178 (5) The Secretary of State may issue photocopies or electronic image copies of instruments
2179 on file, as well as instruments, documents and other papers not on file, and for all such photocopies or
2180 electronic image copies, whether certified or not, a fee of \$5 shall be paid for the first page and \$1 for
2181 each additional page. The Secretary of State may also issue microfiche copies of instruments on file as
2182 well as instruments, documents and other papers not on file, and for each such microfiche a fee of \$2 shall
2183 be paid therefor. Notwithstanding the State of Delaware's Freedom of Information Act or other provision
2184 of this Code granting access to public records, the Secretary of State shall issue only photocopies,
2185 microfiche or electronic image copies of records in exchange for the fees described above.

2186 (6) Upon the receipt for filing of a certificate under Section 15-111(b) of this chapter, a fee
2187 in the amount of \$50, upon the receipt for filing of a certificate under Section 15-111(c) of this chapter, a
2188 fee in the amount of \$50 and a further fee of \$2 for each partnership affected by such certificate, and upon
2189 the receipt for filing of a certificate under Section 15-111(d) of this chapter, a fee in the amount of \$10.

2190 (7) For preclearance of any document for filing, a fee in the amount of \$250.

2191 (8) For preparing and providing a written report of a record search, a fee in the amount of
2192 \$30.

2193 (9) For issuing any certificate of the Secretary of State, including but not limited to a
2194 certificate of good standing, other than a certification of a copy under paragraph (2) of this subsection, a
2195 fee in the amount of \$20, except that for issuing any certificate of the Secretary of State that recites all of
2196 a partnership's filings with the Secretary of State, a fee of \$100 shall be paid for each such certificate.

2197 (10) For receiving and filing and/or indexing any certificate, affidavit, agreement or any
2198 other paper provided for by this chapter, for which no different fee is specifically prescribed, a fee in the
2199 amount of \$25.

2200 (11) The Secretary of State may in the Secretary of State's discretion charge a fee of \$25 for
2201 each check received for payment of any fee that is returned due to insufficient funds or the result of a stop
2202 payment order.

2203 (b) In addition to those fees charged under subsection (a) of this section, there shall be collected
2204 by and paid to the Secretary of State the following:

2205 (1) For all services described in subsection (a) of this section that are requested to be
2206 completed within 2 hours on the same day as the day of the request, an additional sum of up to \$500;

2207 (2) For all services described in subsection (a) of this section that are requested to be
2208 completed within the same day as the day of the request, an additional sum of up to \$200; and

2209 (3) For all services described in subsection (a) of this section that are requested to be
2210 completed within a 24-hour period from the time of the request, an additional sum of up to \$100.

2211 The Secretary of State shall establish (and may from time to time amend) a schedule of specific
2212 fees payable pursuant to this subsection.

2213 (c) The Secretary of State may in the Secretary of State's discretion permit the extension of credit
2214 for the fees required by this section upon such terms as the Secretary of State shall deem to be
2215 appropriate.

2216 (d) The Secretary of State shall retain from the revenue collected from the fees required by this
2217 section a sum sufficient to provide at all times a fund of at least \$500, but not more than \$1,500, from
2218 which the Secretary of State may refund any payment made pursuant to this section to the extent that it
2219 exceeds the fees required by this section. The funds shall be deposited in a financial institution which is a
2220 legal depository of State of Delaware moneys to the credit of the Secretary of State and shall be
2221 disbursable on order of the Secretary of State.

2222 (e) Except as provided in this section, the fees of the Secretary of State shall be as provided in
2223 Section 2315 of Title 29.

2224 Section 15-1208. ANNUAL TAX OF PARTNERSHIP.

2225 (a) Every partnership that has filed a statement of partnership existence shall pay an annual tax,
2226 for the use of the State of Delaware, in the amount of \$100.

2227 (b) The annual tax shall be due and payable on the first day of June following the close of the
2228 calendar year or upon the cancellation of a statement of partnership existence. The Secretary of State
2229 shall receive the annual tax and pay over all taxes collected to the Department of Finance of the State of
2230 Delaware. If the annual tax remains unpaid after the due date established by subsection (d) of this
2231 section, the tax shall bear interest at the rate of 1 1/2% for each month or portion thereof until fully paid.

2232 (c) The Secretary of State shall, at least 60 days prior to the first day of June of each year, cause
2233 to be mailed to each partnership required to comply with the provisions of this section in care of its
2234 registered agent in the State of Delaware an annual statement for the tax to be paid hereunder.

2235 (d) In the event of neglect, refusal or failure on the part of any partnership to pay the annual tax
2236 to be paid hereunder on or before the first day of June in any year, such partnership shall pay the sum of
2237 \$100 to be recovered by adding that amount to the annual tax, and such additional sum shall become a
2238 part of the tax and shall be collected in the same manner and subject to the same penalties.

2239 (e) In case any partnership shall fail to pay the annual tax due within the time required by this
2240 section, and in case the agent in charge of the registered office of any partnership upon whom process
2241 against such partnership may be served shall die, resign, refuse to act as such, remove from the State of
2242 Delaware or cannot with due diligence be found, it shall be lawful while default continues to serve
2243 process against such partnership upon the Secretary of State. Such service upon the Secretary of State
2244 shall be made in the manner and shall have the effect stated in Section 15-113 of this chapter in the case
2245 of a partnership and shall be governed in all respects by said sections.

2246 (f) The annual tax shall be a debt due from a partnership to the State of Delaware, for which an
2247 action at law may be maintained after the same shall have been in arrears for a period of one month. The
2248 tax shall also be a preferred debt in the case of insolvency.

2249 (g) A partnership that neglects, refuses or fails to pay the annual tax when due shall cease to be in
2250 good standing as a partnership in the State of Delaware.

2251 (h) A partnership that has ceased to be in good standing by reason of the failure to pay an annual
2252 tax shall be restored to and have the status of a partnership in good standing in the State of Delaware upon
2253 the payment of the annual tax and all penalties and interest thereon for each year for which such
2254 partnership neglected, refused or failed to pay an annual tax.

2255 (i) The Attorney General, either on his own motion or upon request of the Secretary of State,
2256 whenever any annual tax due under this chapter from any partnership shall have remained in arrears for a
2257 period of 3 months after the tax shall have become payable, may apply to the Court of Chancery, by
2258 petition in the name of the State of Delaware, on 5 days' notice to such partnership, which notice may be
2259 served in such manner as the Court may direct, for an injunction to restrain such partnership from the
2260 transaction of any business within the State of Delaware or elsewhere, until the payment of the annual tax,
2261 and all penalties and interest due thereon and the cost of the application, which shall be fixed by the
2262 Court. The Court of Chancery may grant the injunction, if a proper case appears, and upon granting and
2263 service of the injunction, such partnership thereafter shall not transact any business until the injunction
2264 shall be dissolved.

2265 (j) A partnership that has ceased to be in good standing by reason of its neglect, refusal or failure
2266 to pay an annual tax shall remain a partnership formed under this chapter. The Secretary of State shall not
2267 accept for filing any certificate (except a certificate of resignation of a registered agent when a successor
2268 registered agent is not being appointed) required or permitted by this chapter to be filed in respect of any
2269 partnership which has neglected, refused or failed to pay an annual tax, and shall not issue any certificate
2270 of good standing with respect to such partnership, unless and until such partnership shall have been
2271 restored to and have the status of a partnership in good standing in the State of Delaware.

2272 (k) A partnership that has ceased to be in good standing in the State of Delaware by reason of its
2273 neglect, refusal or failure to pay an annual tax may not maintain any action, suit or proceeding in any
2274 court of the State of Delaware until such partnership has been restored to and has the status of a
2275 partnership in good standing in the State of Delaware. An action, suit or proceeding may not be
2276 maintained in any court of the State of Delaware by any successor or assignee of such partnership on any
2277 right, claim or demand arising out of the transaction of business by such partnership after it has ceased to

2278 be in good standing in the State of Delaware until such partnership, or any person that has acquired all or
2279 substantially all of its assets, has paid any annual tax then due and payable, together with penalties and
2280 interest thereon.

2281 (l) The neglect, refusal or failure of a partnership to pay an annual tax shall not impair
2282 the validity of any contract, deed, mortgage, security interest, lien or act of such partnership or
2283 prevent such partnership from defending any action, suit, or proceeding in any court of the State
2284 of Delaware.

2285 Section 15-1209. CANCELLATION OF STATEMENT OF PARTNERSHIP EXISTENCE FOR
2286 FAILURE TO PAY ANNUAL TAX.

2287 (a) The statement of partnership existence of a partnership shall be deemed to be canceled if the
2288 partnership shall fail to pay the annual tax due under Section 15-1208 of this chapter for a period of three
2289 years from the date it is due, such cancellation to be effective on the third anniversary of such due date.

2290 (b) On or before October 31 of each calendar year, the Secretary of State shall publish in at least
2291 1 newspaper of general circulation in the State of Delaware a list of those partnerships whose statements
2292 of partnership existence were canceled on June 1 of such calendar year pursuant to Section 15-1209(a) of
2293 this chapter.

2294 Section 15-1210. REVIVAL OF PARTNERSHIP.

2295 (a) A partnership whose statement of partnership existence has been canceled pursuant to
2296 Section 15-111(d) or Section 15-1209(a) of this chapter may be revived by filing in the office of the
2297 Secretary of State a certificate of revival accompanied by the payment of the fee required by
2298 Section 15-1207 of this chapter and payment of the annual tax due under Section 15-1208 of this chapter
2299 and all penalties and interest thereon for each year for which such partnership neglected, refused or failed
2300 to pay such annual tax, including each year between the cancellation of its statement of partnership
2301 existence and its revival. The certificate of revival shall set forth:

2302 (1) The name of the partnership at the time its statement of partnership existence was
2303 canceled and, if such name is not available at the time of revival, the name under which the partnership is
2304 to be revived;

2305 (2) The date of filing of the original statement of partnership existence of the partnership;

2306 (3) The address of the partnership's registered office in the State of Delaware and the name
2307 and address of the partnership's registered agent in the State of Delaware;

2308 (4) A statement that the certificate of revival is filed by one or more partners of the
2309 partnership authorized to execute and file the certificate of revival to revive the partnership; and

2310 (5) Any other matters the partner or partners executing the certificate of revival determine to
2311 include therein.

2312 (b) The certificate of revival shall be deemed to be an amendment to the statement of partnership
2313 existence of the partnership, and the partnership shall not be required to take any further action to amend
2314 its statement of partnership existence under Section 15-105 of this chapter with respect to the matters set
2315 forth in the certificate of revival.

2316 (c) Upon the filing of a certificate of revival, a partnership shall be revived with the same force
2317 and effect as if its statement of partnership existence had not been canceled pursuant to Section 15-111(d)
2318 or Section 15-1209(a) of this chapter. Such revival shall validate all contracts, acts, matters and things
2319 made, done and performed by the partnership, its partners, employees and agents during the time when its
2320 statement of partnership existence was canceled pursuant to Section 15-111(d) or Section 15-1209(a) of
2321 this chapter, with the same force and effect and to all intents and purposes as if the statement of
2322 partnership existence had remained in full force and effect. All real and personal property, and all rights
2323 and interests, which belonged to the partnership at the time its statement of partnership existence was
2324 canceled pursuant to Section 15-111(d) or Section 15-1209(a) of this chapter, or which were acquired by
2325 the partnership following the cancellation of its statement of partnership existence pursuant to
2326 Section 15-111(d) or Section 15-1209(a) of this chapter, and which were not disposed of prior to the time
2327 of its revival, shall be vested in the partnership after its revival as fully as they were held by the
2328 partnership at, and after, as the case may be, the time its statement of partnership existence was canceled

2329 pursuant to Section 15-111(d) or Section 15-1209(a) of this chapter. After its revival, the partnership and
2330 its partners shall have the same liability for all contracts, acts, matters and things made, done or
2331 performed in the partnership's name and on its behalf by its partners, employees and agents as the
2332 partnership and its partners would have had if the partnership's statement of partnership existence had at
2333 all times remained in full force and effect.”

SYNOPSIS

This Bill contains Delaware's version of the Uniform Partnership Act of 1994, as amended in 1996 and 1997 by the National Conference of Commissioners on Uniform State Laws, popularly known as the "Revised Uniform Partnership Act" or "RUPA." As such, it will replace Delaware's Uniform Partnership Law, 6 Del. C. Chapter 15, which was based upon the Uniform Partnership Act which was promulgated by the Uniform Laws Commissioners in 1914. This Bill is a substantial modernization of general partnership law in that, inter alia, it emphasizes the contractual nature of the relationship among partners; primarily treats general partnerships as entities, rather than aggregates; generally provides that a partnership does not dissolve upon the dissociation of a partner; contains more extensive treatment of fiduciary duties of partners; and introduces provisions for the public filing of various types of statements and certificates containing information about the partnership, including the agency authority of one or more of its partners.

This Bill applies to general partnerships many of the procedures which have proven popular for Delaware limited partnerships and Delaware limited liability companies. It also continues to permit limited liability partnerships. Adoption of this Bill will continue Delaware's role as a leading jurisdiction for the formation of business entities and will permit Delaware to join other states which have already adopted their versions of RUPA.

Author: Sen. Sharp