

COUNCIL OF THE DISTRICT OF COLUMBIA

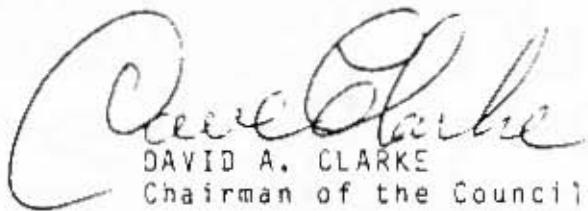
NOTICE

D.C. LAW 7-49

"Uniform Limited Partnership Act of 1987".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 7-227 on first and second readings, July 14, 1987, and September 29, 1987, respectively. Following the signature of the Mayor on October 16, 1987, this legislation was assigned Act 7-82, published in the October 30, 1987, edition of the D.C. Register, (Vol. 34 page 6856) and transmitted to Congress on October 21, 1987 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 7-49, effective December 10, 1987.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

October 21,22,23,26,27,28,29,30

November 2,3,4,5,6,9,10,12,13,16,17,18,19,20,30

December 1,2,3,4,7,8,9

~~EFFECTIVE DATE~~ DEC 10 1987Codification,
New Chapter 3
of title 41

AN ACT

D.C. ACT 7-82

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

OCT 16 1987

To provide a new Uniform Limited Partnership Act for the District of Columbia.

TABLE OF CONTENTS

TITLE I

GENERAL PROVISIONS

- Sec. 101. Definitions.
- Sec. 102. Name.
- Sec. 103. Reservation of name.
- Sec. 104. Principal office and registered agent.
- Sec. 105. Records to be kept.
- Sec. 106. Nature of business.
- Sec. 107. Business transactions of partner with partnership.
- Sec. 108. Applicability of Uniform Partnership Act.
- Sec. 109. Indemnification.

TITLE II

- FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP
- Sec. 201. Certificate of limited partnership.
 - Sec. 202. Amendment to certificate of limited partnership.
 - Sec. 203. Cancellation of certificate of limited partnership.
 - Sec. 204. Execution of certificate of limited partnership.
 - Sec. 205. Amendment or cancellation by judicial act.
 - Sec. 206. Filing with the Department.
 - Sec. 207. Liability for false statement in certificate.
 - Sec. 208. Merger and consolidation.

TITLE III

LIMITED PARTNERS

- Sec. 301. Admission of limited partners.
- Sec. 302. Voting.
- Sec. 303. Liability to third parties.

Sec. 304. Person erroneously believing himself a limited partner.

Sec. 305. Information.

TITLE IV

GENERAL PARTNERS

Sec. 401. Admission of additional general partners.

Sec. 402. Ceasing to be a general partner.

Sec. 403. Powers and liabilities.

Sec. 404. Contributions by general partner.

Sec. 405. Voting.

TITLE V

FINANCE

Sec. 501. Form of contribution.

Sec. 502. Liability for contribution.

Sec. 503. Sharing of profits.

Sec. 504. Sharing of distributions.

TITLE VI

DISTRIBUTIONS AND WITHDRAWAL

Sec. 601. Interim distributions.

Sec. 602. Withdrawal of general partner.

Sec. 603. Withdrawal of limited partner.

Sec. 604. Distribution upon withdrawal.

Sec. 605. Distribution in kind.

Sec. 606. Status as creditor.

Sec. 607. Limitations on return of contributions.

Sec. 608. Liability upon return of contribution.

TITLE VII

ASSIGNMENT OF PARTNERSHIP INTERESTS

Sec. 701. Nature of partnership interest.

Sec. 702. Assignment of partnership interest.

Sec. 703. Right of assignee to become limited partner.

Sec. 704. Death, incompetency, insolvency, or termination of a general partner.

Sec. 705. Rights of creditor.

TITLE VIII

DISSOLUTION

Sec. 801. Events of dissolution.

Sec. 802. Judicial dissolution.

Sec. 803. Winding up.

Sec. 804. Distribution of assets.

TITLE IX

FOREIGN LIMITED PARTNERSHIPS

Sec. 901. Law governing foreign limited partnerships.

Sec. 902. Certificate of authority.

Sec. 903. Issuance of certificate of authority.

Sec. 904. Name.

Sec. 905. Changes and amendments.

Sec. 906. Cancellation of certificate of authority.

Sec. 907. Doing business without a certificate of authority.

Sec. 908. Doing business.

Sec. 909. Assent to laws of the District.

Sec. 910. Compliance with title is not consent to suit.

TITLE X

DERIVATIVE ACTIONS

Sec. 1001. Right of action.

Sec. 1002. Proper plaintiff.

Sec. 1003. Pleading.

Sec. 1004. Expenses.

TITLE XI

MISCELLANEOUS

Sec. 1101. Construction and application.

Sec. 1102. Rules; fees.

Sec. 1103. Penalties.

Sec. 1104. Action by Corporation Counsel.

Sec. 1105. Repealer.

Sec. 1106. Transition.

Sec. 1107. Effective date.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the "Uniform Limited
Partnership Act of 1987".

TITLE I.

GENERAL PROVISIONS

Sec. 101. Definitions.

For purposes of this act, the term:

(1) "Certificate of good standing" means any documentation provided by the jurisdiction under which the foreign limited partnership is organized verifying its formation.

New,
D.C. Code,
sec. 41-301
(1988 supp.)

(2) "Consent" means a writing consenting to a specified act or event.

(3) "Contribution" means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, that a partner contributes as capital to a limited partnership in that person's capacity as a partner.

(4) "Department" means the Department of Consumer and Regulatory Affairs.

(5) "Distribution" means any cash or property that a limited partnership distributes to a partner in that person's capacity as a partner.

(6) "District" means the District of Columbia.

(7) "Foreign limited partnership" means a partnership formed under the laws of any state other than the District or under the laws of a foreign country and having as

partners 1 or more general partners and 1 or more limited partners.

(8) "General partner" means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and has been named as a general partner in the certificate of limited partnership or similar instrument of any state or foreign country under which the limited partnership is organized.

(9) "Limited partner" means a person who has been admitted to a limited partnership as a limited partner in accordance with section 301 or, in the case of a foreign limited partnership, in accordance with the laws of the state or foreign country under which the limited partnership is organized.

(10) "Limited partnership" and "domestic limited partnership" mean a partnership formed by 2 or more persons under the laws of the District and having 1 or more general partners and 1 or more limited partners.

(11) "Partner" means a limited or general partner.

(12) "Partnership agreement" means any valid agreement, written or oral, of the partners as to the affairs of a limited partnership and the conduct of its business.

(13) "Partnership interest" means a partner's share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets.

(14) "Person" means a natural person, partnership, domestic limited partnership, foreign limited partnership, trust, estate, association, or corporation.

(15) "Principal office" means the place in the District recorded with the Department as the principal office of the partnership pursuant to section 104.

(16) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(17) "Uniform Limited Partnership Act" means the Uniform Limited Partnership Act, approved September 26, 1962 (76 Stat. 655; D.C. Code, sec. 41-201 *et seq.*).

Sec. 102. Name.

New,

(a) The name of each limited partnership as set forth in its certificate of limited partnership: D.C. Code, sec. 41-302

(1) Shall contain the words "limited partnership" (1988 supp.) or the abbreviation "L.P.";

(2) Shall not contain the name of a limited partner unless:

(A) It is also the name of a general partner; or

(B) The business of the limited partnership had been carried on under that name before the admission of that limited partner; and

(3) Shall not be the same as or deceptively similar to:

(A) The name of any corporation or limited partnership organized under the laws of the District;

(B) The name of any foreign corporation or foreign limited partnership registered or qualified to do business in the District; or

(C) Any name that is reserved or registered under the District of Columbia Income and Franchise Tax Act of 1947, approved September 2, 1957 (71 Stat. 569; D.C. Code, sec. 29-309), the District of Columbia Nonprofit Corporation Act, approved August 6, 1962 (76 Stat. 299; D.C. Code, sec. 29-590), or section 103.

(b) Every 3 years following the year in which the limited partnership is formed, each limited partnership shall file a statement on a form provided by the Department affirming that the limited partnership is actively engaged in the business for which it was formed. A failure to file the affirmation on time shall result in forfeiture of the right to use the name set forth in the certificate but shall not otherwise affect the status, rights, or obligations of the limited partnership or any of its partners under this act.

Sec. 103. Reservation of name.

(a) The exclusive right to use a specified name for a domestic or foreign limited partnership may be reserved by:

(1) A person who intends to organize a domestic limited partnership;

(2) A domestic limited partnership that proposes to change its name;

(3) A foreign limited partnership that intends to register to do business in the District; or

(4) A foreign limited partnership registered to do business in the District that proposes to change its name.

(b) A person may reserve a specified name by filing a signed application with the Department. If the Department finds that the name is available for use by a limited partnership, the Department shall reserve the name for 60 days for the exclusive use of the applicant. If the applicant, at the conclusion of the 60-day period, has proceeded with the plans stated in the application for reservation of a name, the Department shall reserve the name for the limited partnership for the duration of its lawful operations in the District. If the applicant, at the conclusion of the 60-day period, has not proceeded with the

New,
D.C. Code,
sec. 41-303
(1988 supp.)

pions stated in the application for reservation of a name, the Department shall cancel the reservation and make the name available to the next applicant who properly requests it.

(c) The exclusive right to use a reserved name may be transferred to another person by filing with the Department a notice of the transfer, that specifies the name and address of the transferee and is signed by the applicant for whom the name was reserved.

(d) A foreign limited partnership may register a name, other than the name under which it was organized in another state or foreign country, if the name under which it was organized is being used by another business entity to transact business in the District.

Sec. 104. Principal office and registered agent.

Each limited partnership shall continuously maintain in the District:

(1) An office that may but need not be a place of its business in the District; and

(2) A registered agent for service of process on the limited partnership, who shall be an individual resident of the District, a domestic corporation, or a foreign corporation authorized to do business in the District, from whom the limited partnership has obtained written permission to serve as a registered agent.

Sec. 105. Records to be kept.

(a) Each limited partnership shall keep at its principal office or at its principal place of business if different from its principal office:

(1) A current list of the full names and last known home or business addresses of each partner, separately identifying the general partners and the limited partners;

(2) A copy of the certificate of limited partnership together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(3) Copies of the limited partnership's federal, state, and local income tax returns and reports, if any, for the 3 most recent years;

(4) Copies of then effective written partnership agreements and of any financial statements of the limited partnership for the 3 most recent years; and

(5) Unless contained in a written partnership agreement, written records setting forth:

(A) The amount of cash and a description and statement of the agreed value of the other property or services contributed by each partner and which each partner has agreed to contribute;

New,
D.C. Code,
sec. 41-301
(1988 supp.)

New,
D.C. Code,
sec. 41-305
(1988 supp.)

(B) The times at which or events on the occurrence of which any additional contributions agreed to be made by each partner are to be made;

(C) Any right of a partner to receive, or of a general partner to make, distributions to a partner that include a return of all or any part of the partner's contribution; and

(D) Any events upon the occurrence of which the limited partnership is to be dissolved and its affairs wound up.

(b) These records are subject to inspection and copying at the reasonable request and, except as otherwise provided in this act, at the expense of any partner during ordinary business hours.

Sec. 106. Nature of business.

A limited partnership may carry on any business that a partnership without limited partners may carry on.

New,
D.C. Code,
sec. 41-306
(1988 supp.)

Sec. 107. Business transactions of partner with partnership.

Except as provided in the partnership agreement, a partner may lend money to and transact other business with the limited partnership and, subject to other applicable law, has the same rights and obligations with respect to a person who is not a partner.

New,
D.C. Code,
sec. 41-307
(1988 supp.)

Sec. 108. Applicability of Uniform Partnership Act.

In any case not provided for in this act, the provisions of the District of Columbia Uniform Partnership Act, approved September 27, 1962 (76 Stat. 636; D.C. Code 41-101 et seq.), shall govern.

New,
D.C. Code,
sec. 41-308
(1988 supp.)

Sec. 109. Indemnification.

Subject to standards and restrictions, if any, set forth in its partnership agreement, a limited partnership may indemnify any partner or other person from and against any and all claims and demands whatsoever, except that indemnification shall not be permitted if a partner has been adjudged liable for personal benefits improperly received, willful misconduct, recklessness, or gross negligence with respect to the business of the partnership.

New,
D.C. Code,
sec. 41-309
(1988 supp.)

TITLE II

FORMATION, CERTIFICATE OF LIMITED PARTNERSHIP

Sec. 201. Certificate of limited partnership.

New,
D.C. Code,
sec. 41-321
(1988 supp.)

(a) In order to form a limited partnership, a certificate of limited partnership shall be filed with the Department that sets forth:

- (1) The name of the limited partnership;
- (2) The address of the principal office and the name and address of the registered agent;
- (3) The written permission of the registered agent to serve as registered agent;
- (4) The name and the business address of each general partner;
- (5) The latest date upon which the limited partnership is to dissolve; and
- (6) Any other matters the Department considers appropriate.

(b) A limited partnership is formed at the time of the filing of the certificate of limited partnership with the Department or at any later time specified in the certificate of limited partnership if, in either case, there has been compliance with the requirements of this act.

Sec. 202. Amendment to certificate of limited partnership.

New,
D.C. Code,
sec. 41-322
(1988 supp.)

(a) A certificate of limited partnership is amended by filing a certificate of amendment with the Department that sets forth:

- (1) The name of the limited partnership;
- (2) The amendment to the certificate of limited partnership; and
- (3) The date of issuance of the certificate of amendment.

(b) A general partner who becomes aware that any statement in a certificate of limited partnership was false when made or that any facts described have changed, making the certificate of limited partnership inaccurate in any material respect, shall promptly amend the certificate of limited partnership. A certificate of limited partnership may be amended at any time for any other proper purpose.

(c) A certificate of amendment or judicial decree of amendment shall be effective when filed with the Department or at any later time specified in the certificate of amendment or judicial decree of amendment.

Sec. 203. Cancellation of certificate of limited partnership.

New,
D.C. Code,
sec. 41-323
(1988 supp.)

(a) A certificate of limited partnership shall be cancelled on the dissolution and the commencement of winding up of the partnership, or at the time that there are no limited partners. A certificate of cancellation shall be filed with the Department and shall set forth:

- (1) The name of the limited partnership;

(2) The date of the filing of the certificate of limited partnership;

(3) The reason for filing the certificate of cancellation;

(4) If the certificate of cancellation is not to be effective on the date of filing of the certificate of cancellation, a date certain subsequent to the date of filing; and

(5) Any other information the Department considers appropriate.

(b) Unless otherwise provided in this act or in the certificate of limited partnership, a certificate of cancellation or a judicial decree of cancellation is effective when filed with the Department.

Sec. 204. Execution of certificate.

(a) Each certificate required by this act to be filed with the Department shall contain a legend indicating that the making of a false statement is punishable by criminal penalties under section 404 of the District of Columbia Theft and White Collar Crimes Act of 1982, effective December 1, 1982 (D.C. Law 4-164; D.C. Code, sec. 22-2514), and shall be executed in the following manner:

(1) A certificate of limited partnership shall be signed by all general partners;

(2) A certificate of amendment shall be signed by at least one general partner and by each other general partner designated in the certificate of amendment as a new general partner; and

(3) A certificate of cancellation shall be signed by all general partners or, if there is no general partner, by a majority of the limited partners.

(b) Any person may sign a certificate by an attorney in fact.

New,
D.C. Code,
sec. 41-324
(1988 supp.)

Sec. 205. Amendment or cancellation by judicial act.

If the designated person required by the certificate of limited partnership to execute a certificate of amendment or cancellation fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition the Superior Court of the District of Columbia to direct the execution of the certificate of amendment or cancellation. If the court finds that it is proper for the certificate of amendment or cancellation to be executed and that the designee has failed or refused to execute the certificate of amendment or cancellation, the court shall order the Department to record a certificate of amendment or cancellation.

New,
D.C. Code,
sec. 41-325
(1988 supp.)

Sec. 206. Filing with the Department.

New,
D.C. Code,
sec. 41-326
(1988 supp.)

(a) An executed copy of each certificate required by this act or of any judicial decree of amendment or cancellation shall be filed with the Department. The Department shall not accept for recordation any certificate or decree that does not meet the requirements of sections 201 through 203. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of that person's authority as a prerequisite to filing. The Department shall not accept for recordation any certificate, decree, qualification, registration, change of registered agent or principal office, report, service of process or notice, or other document until all required fees have been paid to the Department.

(b) When the Department accepts for recordation any certificate, the Department shall:

- (1) Endorse on the document the date of its acceptance for record;
- (2) Record the document; and
- (3) Issue a certificate that states that the document was accepted for recordation by the Department and the date of acceptance for record.

Sec. 207. Liability for false statement in certificate.

(a) If any certificate contains a false statement, one who suffers loss by reasonable reliance on the statement may recover damages for the loss from:

(1) Any person who executes the certificate, or causes another to execute it on that person's behalf, and knew, and any general partner who knew or should have known, the statement to be false at the time the certificate was executed; and

(2) Any general partner who thereafter knows or should have known that any fact described in the certificate has changed, making the statement inaccurate in any material respect, if that general partner had sufficient time to amend or cancel the certificate or to file a petition under section 205 before the statement was relied upon.

(b) A person is not liable for failing to cause the amendment or cancellation of a certificate or failing to file a petition under section 205 pursuant to subsection (a) of this section if the certificate of amendment, certificate of cancellation, or petition is filed within 30 days of the date that person knew or should have known that the statement in the certificate was inaccurate in any material respect.

New,
D.C. Code,
sec. 41-327
(1988 supp.)

Sec. 208. Merger and consolidation.

(a) For the purposes of this section, the term "business entity" shall include a corporation, an

New,
D.C. Code,
sec. 41-328
(1988 supp.)

unincorporated business, a business trust or association, a real estate investment trust, a common law trust, or a Massachusetts trust.

(b) Unless the partnership agreement provides otherwise, a limited partnership may merge into or consolidate with 1 or more domestic or foreign limited partnerships or into 1 or more District or foreign business entities.

(c)(1) A merger or consolidation shall be approved by a limited partnership in the manner provided by this section.

(2) A foreign limited partnership or a business entity that is a party to the merger or consolidation shall have the merger or consolidation advised, authorized, and approved in the manner and by the vote required by its partnership agreement or charter and by the laws of the jurisdiction where it is organized.

(d) Unless the partnership agreement requires a greater percentage in interest, two-thirds of the general partners of each limited partnership proposing to merge or consolidate shall:

- (1) Approve the proposed transaction; and
- (2) Submit the proposed transaction to the limited partners for their consideration.

(e) Unless the partnership agreement requires a greater percentage in interest, the proposed merger or consolidation shall be approved by two-thirds of the limited partners of each limited partnership that is a party to the proposed transaction.

(f) Upon approval, articles of merger or consolidation shall be duly executed in duplicate, verified by each party to the merger or consolidation, and set forth:

- (1) The plan of merger or consolidation;
- (2) As to each party to the merger or consolidation, the number of limited partnership interests or shares outstanding and, if there are 2 or more classes of limited partnership interests or shares issued, the designation of each class and the number of interests or shares outstanding; and

- (3) As to each party to the merger or consolidation, the number of interests or shares voted for and against the plan respectively and, if there are 2 or more classes of interests or shares issued, the number of each class that voted for and against the plan respectively.

(g) Articles of merger or consolidation shall be filed with the Department. If the Department finds that the articles of merger or consolidation conform to law and when all fees required by this act have been paid, the Department shall issue a certificate of merger or consolidation, noting the date of acceptance of the articles for recordation by

the Department. The duplicate original of the articles of merger or consolidation shall be attached to the certificate of merger or consolidation, which shall be delivered to the surviving or new entity or its representative.

(h) Each limited partner of a limited partnership objecting to a merger or consolidation of the limited partnership shall have the same rights as an objecting stockholder of a District corporation under section 73 of the District of Columbia Business Corporations Act of 1954, approved June 8, 1954 (68 Stat. 210; D.C. Code, sec. 29-373) ("Business Corporations Act"), and under the same procedures, except that if no meeting of limited partners is held, the limited partner shall file with the partnership his or her written objection to the merger or consolidation during the time that approval of limited partners of the proposed transaction is being sought.

(i) If the successor in a merger or consolidation is a limited partnership or District business entity, a merger or consolidation shall be effective on the later of:

(1) The date the Department accepts the articles of merger or consolidation for recordation; or

(2) The date established under the articles of merger or consolidation not to exceed 30 days after the articles of merger or consolidation are accepted for recordation.

(j) If the successor in a merger or consolidation is a foreign business entity or a foreign limited partnership, the merger or consolidation shall be effective on the later of the date specified by the law of the jurisdiction where the successor is organized or the date the Department accepts the articles of merger or consolidation for recordation.

(k) A foreign successor in a merger or consolidation shall file for recordation with the Department a certificate from the jurisdiction where it is organized that certifies the date the articles of merger or consolidation were filed. Failure to file this certificate does not invalidate the merger or consolidation.

(l)(1) Consummation of a merger or consolidation shall mean that the separate existence of each limited partnership and business entity that is a party to the articles, except the successor, ceases to exist.

(2) The limited partnership interests or shares of each party to the articles of merger or consolidation that are to be converted or exchanged under the terms of the articles of merger or consolidation shall cease to exist, subject to the rights of an objecting limited partner or an objecting stockholder under the Business Corporations Act or any comparable foreign statute.

(3) In addition to any other purposes and powers set forth in the articles of merger or consolidation, if the articles of merger or consolidation provide, the successor shall have the purposes and powers of each party to the articles of merger or consolidation.

(4) The assets of each party to the articles of merger or consolidation shall transfer to, vest in, and devolve on the successor without further act or deed. Confirmatory deeds, assignments, or similar instruments to evidence the transfer may be executed and delivered at any time in the name of the transferring party to the articles of merger or consolidation by its last acting general partners or officers or by the appropriate general partners or officers of the successor.

(5) The successor shall be liable for all the debts and obligations of each nonsurviving party to the articles of merger or consolidation. An existing claim, action, or proceeding pending by or against any nonsurviving party to the articles of merger or consolidation may be prosecuted to judgment as if the merger or consolidation had not taken place or, on motion of the successor or any party, the successor may be substituted as a party and the judgment against the nonsurviving party to the articles of merger or consolidation constitutes a lien on the property of the successor. A merger or consolidation shall not impair the rights of creditors or liens on the property of any limited partnership or corporation party to the articles of merger or consolidation.

(m) If the surviving or new entity is to be governed by the laws of any jurisdiction other than the District and intends to do business in the District, it shall comply with the provisions of District law with respect to foreign limited partnerships or foreign business entities with respect to business it conducts in the District. The surviving or new entity shall file with the Department:

(1) An agreement that it may be served with process in the District in any proceeding for the enforcement of any obligations of any limited partnership or business entity that is a party to the merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting limited partner or stockholder of any District limited partnership or corporation against the surviving or new entity;

(2) An irrevocable appointment of the Department as its agent to accept service of process in any proceeding in accordance with paragraph (i) of this subsection;

(3) An agreement that it will promptly pay to the dissenting limited partners or stockholder of any limited partnership or District corporation the amount, if any, to which they shall be entitled under the provisions of the

Business Corporations Act with respect to the rights of dissenting limited partners or stockholders; and

(4) The address of the registered agent to which the Department may mail a copy of any process against the surviving or new entity that may be served on the surviving or new entity.

TITLE III

LIMITED PARTNERS

Sec. 301. Admission of limited partners.

(a) A person becomes a limited partner on the later of:

- (1) The date the certificate of limited partnership is filed; or
- (2) The date stated in the records of the limited partnership as the date that person becomes a limited partner.

(b) After the filing of the certificate of limited partnership, a person may be admitted as an additional limited partner:

(1) By acquiring a partnership interest directly from the limited partnership on compliance with the partnership agreement or with the consent of all partners; or

(2) By an assignment of a partnership interest of a partner who has the power, under title VII, to grant the assignee the right to become a limited partner upon the exercise of that power and compliance with any conditions limiting the grant or exercise of the power.

Sec. 302. Voting.

Subject to section 303, the partnership agreement may grant to all or a specified group of limited partners the right to vote, on a per capita or other basis, on any matter.

New,

D.C. Code,

sec. 41-331

(1988 supp.)

Sec. 303. Liability to third parties.

(a) Except as provided in section 207 and in subsection (c) of this section, a limited partner shall not be liable for the obligations of a limited partnership unless he or she is also a general partner or, in addition to the exercise of his or her rights and powers as a limited partner, he or she participates in the control of the business. If the limited partner does participate in the control of the business, the limited partner is liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited

New,

D.C. Code,

sec. 41-333

(1988 supp.)

partner's conduct, that the limited partner is a general partner.

(b) A limited partner does not participate in the control of the business within the meaning of subsection (a) of this section by virtue of his or her:

(1) Acting as a contractor for or an agent or employee of the limited partnership or of a general partner, or serving as an officer, director, or stockholder of a corporate general partnership;

(2) Consulting with or advising a general partner with respect to any matter, including the business of the limited partnership;

(3) Acting as a surety, guarantor, or endorser for the limited partnership, to guarantee or assume 1 or more specific obligations of the limited partnership or to provide collateral for the limited partnership;

(4) Calling, requesting, attending, or participating at a meeting of the partners or the limited partners;

(5) Winding up a limited partnership pursuant to section 803;

(6) Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership;

(7) Serving on a committee of the limited partnership or the limited partners;

(8) Exercising other powers as are stated in the partnership agreement; or

(9) Exercising any right or power granted or permitted to limited partners under this act and not specifically enumerated in this subsection.

(c) A limited partner who knowingly permits his or her name to be used in the name of the limited partnership, except under circumstances permitted by section 102, shall be liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

Sec. 304. Person erroneously believing himself or herself a limited partner.

(a) Except as provided in subsection (b) of this section, a person who makes a contribution to a partnership and erroneously but in good faith believes that he or she has become a limited partner in the partnership is not a general partner in the partnership and is not bound by its obligations by reason of making the contribution, receiving distributions from the partnership, or exercising any rights of a general partner, if, on ascertaining the mistake:

(1) In the case of a person who wishes to be a limited partner, he or she causes an appropriate certificate

New,
D.C. Code,
sec. 41-334
(1988 supp.)

to be executed and filed to show that he or she is not a general partner; or

(2) In the case of a person who wishes to withdraw as a partner from the partnership, he or she executes and files a document with the Department declaring that he or she withdraws under this section.

(b) A person who makes a contribution under the circumstances described in subsection (a) of this section is liable as a general partner to any 3rd party who transacts business with the partnership prior to the occurrence of either of the events described in subsection (a)(1) or (a)(2) of this section:

(1) If that person knew or reasonably should have known either that no certificate has been filed to show that he or she is not a general partner or that the certificate inaccurately refers to him or her as a general partner; or

(2) If the 3rd party reasonably relied upon the fact that the person was a general partner at the time of the transaction.

Sec. 305. Information.

(a) Each limited partner has the right to obtain from the general partners upon reasonable demand and at partnership expense:

(1) True and full information regarding the state of the business and financial condition of the limited partnership;

(2) A copy of the limited partnership's federal, state, and local income tax returns for each year; and

(3) Other information regarding the affairs of the limited partnership as is just and reasonable.

(b) Any limited partner or group of limited partners owning 10% or more of the limited partnership's interests shall, upon written request to the general partners, have the right, at the limited partner's or partners' own expense and during ordinary business hours, to inspect the books and records of the limited partnership.

New,
D.C. Code,
sec. 41-335
(1988 supp.)

TITLE IV

GENERAL PARTNERS

New,
D.C. Code,
sec. 41-341
(1988 supp.)

Sec. 401. Admission of additional general partners.

Except as otherwise provided in writing in the partnership agreement, after the filing of the certificate of limited partnership, additional general partners may be admitted with the consent of all general partners and a majority in interest of limited partners, determined on the basis of the sharing of profits and losses.

Sec. 402. Ceasing to be a general partner.

A person ceases to be a general partner of a limited partnership upon the occurrence of any of the following events:

- (1) The person's withdrawal from the limited partnership as provided in section 602;
- (2) The person's removal as a general partner in accordance with the partnership agreement;
- (3) Unless otherwise provided in writing in the partnership agreement or with the consent of all partners, the person's:
 - (A) Making an assignment for the benefit of creditors;
 - (B) Filing a voluntary petition in bankruptcy;
 - (C) Being adjudged insolvent or having entered against him or her an order for relief in any bankruptcy proceeding or any order of relief in an insolvency proceeding;
 - (D) Filing a petition or answer seeking for himself or herself any reorganization, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
 - (E) Filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him or her in any proceeding of reorganization, composition, readjustment, liquidation, dissolution, or similar relief under any law or regulation;
 - (F) Seeking, consenting to, or acquiescing in the appointment of a trustee or receiver, or in the liquidation by the general partner of any substantial part of his or her properties;
- (4) Unless otherwise provided in writing in the partnership agreement or with the consent of all partners:
 - (A) The 121st day of a proceeding seeking reorganization, composition, readjustment, liquidation, dissolution, or similar relief under law or regulation against a general partner; or
 - (B) The expiration of 120 days from the date of appointment of a trustee, receiver, or liquidator for the general partner or any substantial part of the general partner's properties without his or her agreement, which appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated;
- (5) In the case of a general partner who is an individual, the individual's death or the individual's adjudication by a court of competent jurisdiction as incompetent to manage his or her person or property;

New,
D.C. Code,
sec. 41-311
(1988 supp.)

(6) In the case of a general partner who is acting as a general partner by virtue of being a trustee of a trust, the termination of the trust, but not the substitution of a new trustee;

(7) In the case of a general partner that is a separate partnership, the dissolution and commencement of winding up of the separate partnership;

(8) In the case of a general partner that is a corporation, the dissolution of the corporation or the revocation of its charter; or

(9) In the case of a general partner that is an estate, the distribution by the personal representative of the estate's entire interest in the partnership.

Sec. 403. Powers and liabilities.

(a) Except as provided in this act or in the partnership agreement, a general partner of a limited partnership shall have the rights and powers and is subject to the restrictions and liabilities of a partner in a partnership without limited partners.

(b) A general partner's liability to persons other than his or her partners or the partnership shall not be limited in the partnership agreement.

New,
D.C. Code,
sec. 41-343
(1988 supp.)

Sec. 404. Contributions by general partner.

A general partner may make contributions to the limited partnership and share in the profits and losses of, and in distributions from, the limited partnership as a general partner. A general partner also may make contributions to and share in the profits, losses, and distributions as a limited partner. A person who is both a general partner and a limited partner has the rights and powers, and is subject to the restrictions and liabilities, of a general partner and, except as provided in the partnership agreement, shall have the powers and is subject to the restrictions of a limited partner to the extent of his or her participation in the limited partnership as a limited partner.

New,
D.C. Code,
sec. 41-344
(1988 supp.)

Sec. 405. Voting.

The partnership agreement may grant to all or certain identifiable general partners the right to vote on a per capita or any other basis, separately or with any class of the limited partners, on any matter.

New,
D.C. Code,
sec. 41-345
(1988 supp.)

TITLE V

FINANCE

Sec. 501. Form of contribution.

New,
D.C. Code,
sec. 41-351
(1988 supp.)

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

Sec. 502. Liability for contribution.

(a) No promise by a limited partner to contribute to the limited partnership shall be enforceable unless set out in a writing signed by the limited partner.

New,
D.C. Code,
sec. 41-351
(1988 supp.)

(b)(1) Except as provided in the partnership agreement, a limited partner shall be obligated to the limited partnership to perform any enforceable promise set forth in the partnership agreement to contribute cash or property or to perform services, even if he or she is unable to perform because of death, disability, or any other reason.

(2) If a limited partner does not make the required contribution of property or services, he or she shall be obligated at the option of the limited partnership to contribute cash equal to that portion of the value, as stated in the partnership records required to be kept pursuant to section 105, of the stated contribution that has not been made.

(c)(1) The obligation of a limited partner to make a contribution or return money or other property paid or distributed in violation of this act may be compromised only upon compliance with the partnership agreement or, if the partnership agreement does not so provide, with the consent of all partners.

(2) Any compromise does not affect the rights to enforce the original obligation of any creditor of a limited partnership who extends credit in reliance on that obligation, after the partner signs a writing that reflects the obligation and before the compromise is made.

Sec. 503. Sharing of profits and losses.

The profits and losses of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. If the partnership agreement does not so provide in writing, profits and losses shall be allocated on the basis of the value of the contributions of each partner as stated in the partnership records to be kept pursuant to section 105.

New,
D.C. Code,
sec. 41-353
(1988 supp.)

Sec. 504. Sharing of distributions.

Distributions of cash or other assets of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. Unless otherwise provided in

New,
D.C. Code.
41-354
(1988 supp.)

writing in the partnership agreement, distributions shall be made on the basis of the sharing of profits and losses.

TITLE VI

DISTRIBUTIONS AND WITHDRAWAL

Sec. 601. Interim distributions.

Except as otherwise provided in this act, a partner may receive distributions from a limited partnership before his or her withdrawal and before the dissolution and winding up of the limited partnership to the extent set forth in the partnership agreement.

New,
D.C. Code,
41-361
(1988 supp.)

Sec. 602. Withdrawal of general partner.

A general partner may withdraw from a limited partnership at any time by giving written notice to the other partners but, if the withdrawal notice violates the partnership agreement, the limited partnership may recover from the withdrawing general partner damages for breach of the partnership agreement and may offset the damages against the amount otherwise distributable to the withdrawing general partner.

New,
D.C. Code,
sec. 41-362
(1988 supp.)

Sec. 603. Withdrawal of limited partner.

A limited partner may withdraw from a limited partnership at the time or on the occurrence of events specified in writing in the partnership agreement. If the partnership agreement does not specify in writing the time or the occurrence of events at which a limited partner may withdraw or a definite time for the dissolution and winding up of the limited partnership, a limited partner may withdraw on not less than 6 months' prior written notice to each general partner at the general partner's address on the books of the limited partnership.

New.
D.C. Code,
41-363
(1988 supp.)

Sec. 604. Distribution upon withdrawal.

Except as otherwise provided in this section, on withdrawal, other than a withdrawal pursuant to an assignment by which the assignee becomes a partner, any withdrawing partner may receive any distribution to which he or she is entitled under the partnership agreement and, if not otherwise provided in the partnership agreement, he or she is entitled to receive, within a reasonable time after withdrawal, the fair value of his or her partnership interest in the limited partnership as of the date of withdrawal.

New,
D.C. Code,
sec. 41-364
(1988 supp.)

Sec. 605. Distribution in kind.

New,
D.C. Code,
sec. 41-365
(1988 supp.)

Unless otherwise provided in writing in the partnership agreement, a partner, regardless of the nature of his or her contribution, shall not demand or receive any distribution from a limited partnership in any form other than cash.

Sec. 606. Status as creditor.

Except to the extent limited by section 607 or 604, at the time a partner becomes entitled to receive a distribution, the partner shall have the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution.

New,
D.C. Code,
sec. 41-366
(1988 supp.)

Sec. 607. Limitations on return of contributions.

A partner may not receive a return of his or her contribution to a limited partnership to the extent that, after giving effect to the return of his or her contribution, all liabilities of the limited partnership, other than liabilities to partners for the return of their contributions, exceed the fair market value of the partnership assets.

New,
D.C. Code,
sec. 41-367
(1988 supp.)

Sec. 608. Liability upon return of contribution.

(a) If a limited partner has received the return of any part of his or her contribution without violation of the partnership agreement or this act, he or she shall be liable to the limited partnership for a period of 1 year for the amount of the returned contribution, but only to the extent necessary to discharge the limited partnership's liabilities to creditors who extended credit to the limited partnership during the period the contribution was held by the partnership.

New,
D.C. Code,
sec. 41-368
(1988 supp.)

(b) If a limited partner has received the return of any part of his or her contribution in violation of the partnership agreement or this act, he or she shall be liable to the limited partnership for a period of 6 years for the amount of the contribution wrongfully returned.

(c) A limited partner shall be deemed to receive a return of his or her contribution to the extent that, after a distribution to a partner, his or her share of the fair value of the net assets of the limited partnership is less than the value of his or her total contribution as reflected in the partnership records required to be kept pursuant to section 105, minus all distributions in return of his or her contribution made prior to the distribution.

TITLE VII

ASSIGNMENT OF PARTNERSHIP INTERESTS

Sec. 701. Nature of partnership interest.

New,
D.C. Code,
sec. 41-371
(1988 supp.)

A partnership interest is personal property.

Sec. 702. Assignment of partnership interest.

(a) Unless otherwise provided in the partnership agreement, a partnership interest shall be assignable in whole or in part. An assignment of a partnership interest shall not dissolve a limited partnership or entitle the assignee to become a partner or, unless otherwise provided in the partnership agreement, exercise any rights of a partner. Unless otherwise provided in the partnership agreement, an assignment entitles the assignee to receive, to the extent assigned, only the distributions to which the assignor would be entitled.

New,
D.C. Code,
sec. 41-372
(1988 supp.)

(b) The partnership agreement may provide that a partner's interest in a limited partnership may be evidenced by a certificate of partnership interest issued by the limited partnership and may also provide for the assignment or transfer of any partnership interest represented by the certificate and make other provisions with respect to the certificates.

Sec. 703. Right of assignee to become limited partner.

New,
D.C. Code,
sec. 41-473
(1988 supp.)

(a) An assignee of a partnership interest, including an assignee of a general partner, may become a limited partner if and to the extent that the assignor gives the assignee that right in accordance with authority described in the partnership agreement or if all other partners consent.

(b) An assignee who has become a limited partner shall have, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of a limited partner under the partnership agreement and this act. An assignee who becomes a limited partner shall be liable for the obligations of his or her assignor to make and return contributions as provided in this act. The assignee shall not be obligated for liabilities that are unknown to the assignee at the time he or she became a limited partner and that could not be ascertained from the partnership agreement.

(c) If an assignee of a partnership interest becomes a limited partner, the assignor may not be released from his or her liability to the limited partnership under sections 502 and 608.

Sec. 704. Death, incompetency, insolvency, or termination of a general partner.

New,
D.C. Code,
sec. 41-374
(1988 supp.)

(a) Unless otherwise provided in the partnership agreement:

(1) If a general partner who is an individual dies or a court of competent jurisdiction adjudges the

individual to be incompetent to manage his or her person or property, the partner's personal representative, guardian, conservator, or other legal representative shall automatically become a limited partner;

(2) If a general partner is a corporation, estate, trust, partnership, or other entity and is dissolved or terminated, its legal representative or successor shall automatically become a limited partner; and

(3) If a general partner ceases to be a general partner under section 402(3) or permits an act specified in section 402(4), that partner shall automatically become a limited partner.

(b) Unless otherwise provided in the partnership agreement, the allocable share of the profits, losses, and distributions of a general partner who becomes a limited partner under this section is the same as it was prior to the event specified in subsection (a) of this section.

Sec. 705. Rights of creditor.

On application to a court of competent jurisdiction by any judgment creditor of a partner, the court may charge the partnership interest of the partner with payment of the unsatisfied amount of judgment with interest. To the extent so charged, the judgment creditor shall have only the rights of an assignee of the partnership interest. This act shall not deprive any partner of the benefit of any exemption laws applicable to his or her partnership interest.

New,
D.C. Code,
sec. 41-375
(1988 supp.)

TITLE VIII

DISSOLUTION

Sec. 801. Events of dissolution.

A limited partnership is dissolved and its affairs shall be wound up on the 1st to occur of any of the following:

(1) The date specified in the certificate of limited partnership or on the occurrence of events specified in writing in the partnership agreement;

(2) Consent to dissolution by all partners;

(3) An event of withdrawal of a general partner unless:

(A) At the time there is at least 1 other general partner and the business is continued by a remaining general partner under a right to do so stated in writing in the partnership agreement; or

(B) If, within 90 days after the date a general partner ceases to be a general partner, all partners consent to continue the business of the limited partnership

New,
D.C. Code.
sec. 41-381
(1988 supp.)

and to the appointment of, effective as of that date, 1 or more additional general partners if necessary or desired; or

(4) The entry of a decree of judicial dissolution under section 802.

Sec. 802. Judicial dissolution.

On application by or for a partner, the Superior Court of the District of Columbia may decree dissolution of a limited partnership whenever it is not reasonably practicable to carry on the business in conformity with the partnership agreement.

New,
D.C. Code,
sec. 41-382
(1988 supp.)

Sec. 803. Winding up.

Unless otherwise provided in the partnership agreement, the general partners who have not wrongfully dissolved a limited partnership or, if none, the limited partners, may wind up the limited partnership's affairs. The Superior Court of the District of Columbia, on cause shown, may wind up the limited partnership's affairs on application of any partner or assignee.

New,
D.C. Code,
sec. 41-383
(1988 supp.)

Sec. 804. Distribution of assets.

Upon the winding up of a limited partnership, the assets shall be distributed:

New, D.C. C.
sec. 41-384
(1988 supp.)

(1) To creditors, including partners who are creditors, to the extent permitted by law, in satisfaction of liabilities for distributions to partners under section 601 or section 604;

(2) Unless otherwise provided in the partnership agreement, to partners and former partners in satisfaction of liabilities for distributions under section 601 or section 604; and

(3) Unless otherwise provided in the partnership agreement, to partners, first, for the return of their contributions and, second, respecting their partnership interests, in the proportions in which the partners share in distributions.

TITLE IX

FOREIGN LIMITED PARTNERSHIPS

Sec. 901. Law governing foreign limited partnerships.

(a) Subject to title IV of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 777; D.C. Code, sec. 1-221 et seq.), and subsection (b) of this section:

New,
D.C. Code,
sec. 41-391
(1988 supp.)

(1) The laws of the state or country under which a foreign limited partnership is organized govern its

organization and internal affairs and the liability of its limited partners; and

(2) A foreign limited partnership may not be denied registration by reason of any difference between those laws and the laws of the District.

(b) A foreign limited partnership may not do any business in the District that the laws of the District prohibit a domestic limited partnership from doing.

Sec. 902. Certificate of authority.

(a) Before doing any interstate, intrastate, or foreign business in the District, a foreign limited partnership shall obtain a certificate of authority from the Department. In order to obtain a certificate of authority, a foreign limited partnership shall submit to the Department an application of the foreign limited partnership for a certificate of authority, executed by a general partner. The application shall be executed by a general partner in accordance with, and the execution shall constitute an affirmation under, sections 201 through 204. The application shall set forth:

(1) The name of the foreign limited partnership and, if different, the name under which it proposes to do business in the District;

(2) The state or country under whose laws it was formed, the date of its formation, and a statement from a general partner that, as of the date of filing, the foreign limited partnership validly exists as a limited partnership under the laws of the jurisdiction of its organization;

(3) The name and address of its registered agent in the District and written permission that the registered agent has agreed to be its registered agent;

(4) A statement that the Department is appointed the registered agent of the foreign limited partnership if no registered agent has been appointed under section 902(a)(3), if the registered agent's authority has been revoked, or if the registered agent cannot be found or served through the exercise of reasonable diligence;

(5) The address of the office required to be maintained in the state or country of its organization by the laws of that jurisdiction or, if not so required, of the principal office of the foreign limited partnership;

(6) The name and business address of each general partner;

(7) The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contributions, together with an affirmation that the foreign limited partnership shall keep those records until the foreign limited partnership's registration in the District is cancelled; and

New,
D.C. Code,
sec. 41-371
(1988 supp.)

(8) The date on which the foreign limited partnership first did, or intends to do, business in the District.

(b) The application for a certificate of authority shall be accompanied by a certificate of good standing from the jurisdiction under which the foreign limited partnership was organized.

Sec. 903. Issuance of certificate of authority.

If the Department finds that an application for a certificate of authority meets the requirements of this act and all required fees have been paid, the Department shall:

(1) Endorse on the application the date of its acceptance for recordation;

(2) Record the document; and

(3) Issue a certificate of authority to do business in the District.

New,
D.C. Code,
sec. 41-391
(1988 supp.)

Sec. 904. Name.

(a) A foreign limited partnership may obtain a certificate of authority from the Department under any name, whether or not it is the name under which it does business in its state of organization, that includes the words "limited partnership" or the abbreviation "L.P." and that could be registered by a domestic limited partnership.

(b) A foreign limited partnership may obtain a certificate of authority from the Department under a name other than its legal name if its legal name is already registered with the Department by another entity that is doing business in the District.

New,
D.C. Code,
sec. 41-394
(1988 supp.)

Sec. 905. Changes and amendments.

If any statement in the application for a certificate of authority of a foreign limited partnership was false when made or any facts described have changed, making the application inaccurate in any material respect, the foreign limited partnership shall promptly file with the Department a certificate, executed by a general partner, correcting the statement. The provisions of section 207 are applicable to foreign limited partnerships as if they were domestic limited partnerships.

New,
D.C. Code,
sec. 41-395
(1988 supp.)

Sec. 906. Cancellation of certificate of authority.

A foreign limited partnership may cancel its certificate of authority by filing with the Department a certificate of withdrawal executed by a general partner. A certificate of withdrawal does not terminate the authority of the Department to accept service of process on the foreign limited partnership with respect to causes of action arising out of doing business in the District.

New,
D.C. Code,
sec. 41-396
(1988 supp.)

Sec. 907. Doing business without a certificate of authority.

(a) If a foreign limited partnership is doing or has done any intrastate, interstate, or foreign business in the District without complying with the requirements of sections 901 through 911, neither the foreign limited partnership nor any person claiming under the foreign limited partnership may maintain a suit in any court of the District unless the foreign limited partnership or the person claiming under the foreign limited partnership shows to the satisfaction of the court that:

(1) The foreign limited partnership or a foreign limited partnership successor to the foreign limited partnership has complied with the requirements of this act; or

(2) The foreign limited partnership and any foreign limited partnership successor to the foreign limited partnership are no longer doing intrastate, interstate, or foreign business in the District.

(b) The failure of a foreign limited partnership to register in the District shall not impair the validity of any contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit, or proceeding in any court of the District.

(c) A limited partner of a foreign limited partnership shall not be liable as a general partner of the foreign limited partnership solely by reason of the partnership's having done business in the District without obtaining a certificate of authority.

(d) A foreign limited partnership, by doing business in the District without obtaining a certificate of authority, appoints the Department as its agent for service of process with respect to causes of action arising out of doing business in the District.

Sec. 908. Doing business.

(a) In addition to any other activities that may not constitute doing business in the District, for the purposes of this act, a foreign limited partnership shall not be considered to be doing business in the District by:

(1) Maintaining, defending, or settling an action, suit, claim, dispute, or administrative or arbitration proceeding;

(2) Holding meetings of its partners or carrying out other activities that concern its internal affairs;

(3) Maintaining bank accounts;

(4) Collecting debts owed to it or taking security for the debts; or

(5) Appointing an agent for the solicitation of business not to be transacted in the District or for the

New,
D.C. Code,
sec. 41-397
(1988 supp.)

New,
D.C. Code,
sec. 41-398
(1988 supp.)

sale of personal property to the United States within the District unless a contract for sale is accepted by the seller within the District or property is delivered from stock of the seller within the District for use within the District.

(b) No foreign limited partnership whose sole business activity in the District is receiving income from loans secured by real estate and who does not maintain any office, agent, representative, or employees for the purpose of making, maintaining, or liquidating these investments in the District shall be required to obtain a certificate of authority. Any foreign limited partnership shall be deemed to have waived any immunity to service of process and suit in the courts of the District, shall appoint and maintain in the District an agent for service of process, and shall register with the Department the address of its principal office and the name and address of its agent for service of process in the District including any changes in these addresses.

(c) In addition to any other activities that may constitute doing business in the District, for the purposes of this act, any foreign limited partnership that owns income-producing real or tangible personal property in the District, other than property exempted by subsection (b) of this section, shall be considered to be doing business in the District.

Sec. 909. Assent to laws of the District.

By doing business in the District, a foreign limited partnership assents to the laws of the District.

New,
D.C. Code,
sec. 41-399
(1988 supp.)
New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 910. Compliance with title is not consent to suit.

With respect to any cause of action on which a foreign limited partnership would not otherwise be subject to suit in the District, compliance with sections 901 through 909 shall not:

- (1) Of itself render a foreign limited partnership subject to suit in the District; and
- (2) Be considered as consent by it to be sued in the District.

TITLE X.

DERIVATIVE ACTIONS

Sec. 1001. Right of action.

A limited partner may bring a derivative action to enforce a right of a limited partnership to recover a judgment in its favor if general partners with authority to

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

do so have refused to bring the action or if an effort to cause those general partners to bring the action is not likely to succeed. The derivative action may not be maintained if it appears that the plaintiff does not fairly and adequately represent the interests of the limited partners in enforcing the rights of the partnership.

Sec. 1002. Proper plaintiff.

In a derivative action, the plaintiff:

(1) Shall be a partner at the time of bringing action; and

(2) Shall have been a partner at the time of the transaction of which he or she complains or shall have had his or her status as a partner devolve on him or her by operation of law or pursuant to the terms of the partnership agreement from a person who was a partner at the time of the transaction.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 1003. Pleading.

In a derivative action, the complaint shall set forth with particularity the attempts, if any, of the plaintiff to secure initiation of the action the plaintiff desires by a general partner or the reasons for not making the attempts.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 1004. Expenses.

If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, and shall direct the plaintiff to remit to the limited partnership the remainder of those proceeds received by him or her.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

TITLE XI.

MISCELLANEOUS

Sec. 1101. Construction and application.

This act shall be applied and construed so as to effectuate its general purpose to make uniform law with respect to the subject of this act among all jurisdictions enacting it.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 1102. Rules; fees; notice.

(a) The Mayor shall, pursuant to title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Code, sec. 1-1501 *et seq.*), issue rules to implement the provisions of this act.

(b) The Department shall set fees as necessary for the implementation of this act.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

(c) The Department shall cause notice of the effectiveness of this act to be published in a daily newspaper circulated generally in the District within 10 days of the effective date of this act.

Sec. 1103. Penalties.

Civil fines, penalties, and fees may be imposed for any infraction of the provisions of this act, pursuant to titles I-III of the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, effective October 5, 1985 (D.C. Law 6-42; D.C. Code, sec. 6-2701 *et seq.*) ("Civil Infractions Act"). Adjudication of any infraction shall be pursuant to titles I-III of the Civil Infractions Act.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 1104. Action by Corporation Counsel.

The Corporation Counsel may bring an action on behalf of the District for violations of any provision of this act.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

Sec. 1105. Repealer.

The Uniform Limited Partnership Act is repealed.

Repealed,
Chapter 2
of title 31
(1988 supp.)

Sec. 1106. Transition.

(a) All limited partnerships formed on or after the effective date of this act shall be governed by the provisions of this act.

New,
D.C. Code,
sec. 41-399.
(1988 supp.)

(b) Except as otherwise provided in this section, all existing limited partnerships that have been formed under the provisions of the Uniform Limited Partnership Act shall, on and after the effective date of this act, be governed by the provisions of this act. Any existing limited partnership shall not be required to add the term "limited partnership" or the abbreviation "L.P." to its present name.

(c) Each existing limited partnership formed under the Uniform Limited Partnership Act may, but shall not be required to, make any amendments to its existing certificate of limited partnership on file with the Department to conform to this act, provided that:

(1) If an existing limited partnership does not file an amended certificate of limited partnership designating a registered agent as provided in section 104, service of process may be made upon any general partner or upon the Department;

(2) If the principal place of business of an existing limited partnership is in the District, that principal place of business shall be deemed the principal office of the limited partnership pursuant to section 104; and

(3) If the principal place of business of any existing limited partnership is not in the District, the existing limited partnership shall be required to file an

amendment to its existing certificate of limited partnership designating a principal office in the District.

(d) Unless agreed otherwise by the partners, the applicable provisions of the Uniform Limited Partnership Act governing allocation of profits and losses distributions to a withdrawing partner and distributions of assets upon the winding up of limited partnerships shall govern limited partnerships formed prior to the effective date of this act.

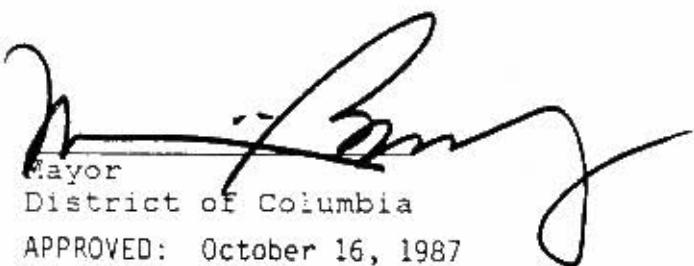
(e) The repeal of the Uniform Limited Partnership Act by this act shall not impair, or otherwise affect, the organization or the continued existence of a limited partnership existing on the effective date of this act. The repeal of the Uniform Limited Partnership Act by this act shall not impair any contract or affect any right accrued before the effective date of this act.

(f) Foreign limited partnerships shall have 60 days from the effective date of this act to comply with the provisions of title IX.

Sec. 1107. Effective date.

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)).


Chairman
Council of the District of Columbia


Mayor
District of Columbia
APPROVED: October 16, 1987



COUNCIL OF THE DISTRICT OF COLUMBIA
Council Period Seven

DOCKET NO. 87-227

RECORD OF OFFICIAL COUNCIL VOTE

Item on Consent Calendar

ACTION & DATE: Adopted First Reading, 7-14-87

VOICE VOTE: Unanimous

Recorded vote on request

Kane, Smith and Clarke

Absent:

ROLL CALL VOTE: - RESULT

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date

Item on Consent Calendar

ACTION & DATE: Adopted Final Reading, 9-29-87

VOICE VOTE: Unanimous

Recorded vote on request

Absent: Kane

ROLL CALL VOTE: - RESULT

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN CLARKE					NATHANSON					THOMAS SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date

Item on Consent Calendar

ACTION & DATE:

VOICE VOTE:

Recorded vote on request

Absent:

ROLL CALL VOTE: - RESULT

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN CLARKE					NATHANSON					THOMAS, SR.				
CRAWFORD					RAY					WILSON				
JARVIS					ROLARK					WINTER				
KANE					SCHWARTZ									
MASON					SMITH, JR.									

X — Indicates Vote

A.B. — Absent

N.V. — Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date