

Chapter 25.05 RCW
REVISED UNIFORM PARTNERSHIP ACT

Sections

ARTICLE 1
GENERAL PROVISIONS

- 25.05.005 Definitions.
- 25.05.010 Knowledge and notice.
- 25.05.015 Effect of partnership agreement—Nonwaivable provisions.
- 25.05.020 Supplemental principles of law.
- 25.05.025 Delivery and filing of statements.
- 25.05.030 Governing law.
- 25.05.035 Partnership subject to amendment or repeal of chapter.

ARTICLE 2
NATURE OF PARTNERSHIP

- 25.05.050 Partnership as entity.
- 25.05.055 Formation of partnership.
- 25.05.060 Partnership property.
- 25.05.065 When property is partnership property.

ARTICLE 3
RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP

- 25.05.100 Partner agent of partnership.
- 25.05.105 Transfer of partnership property.
- 25.05.110 Statement of partnership authority.
- 25.05.115 Statement of denial.
- 25.05.120 Partnership liable for partner's actionable conduct.
- 25.05.125 Partner's liability.
- 25.05.130 Actions by and against partnership and partners.
- 25.05.135 Liability of purported partner.

ARTICLE 4
RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP

- 25.05.150 Partner's rights and duties.
- 25.05.155 Distributions in kind.
- 25.05.160 Partner's rights and duties with respect to information.
- 25.05.165 General standards of partner's conduct.
- 25.05.170 Actions by partnership and partners.
- 25.05.175 Continuation of partnership beyond definite term or particular undertaking.

ARTICLE 5
TRANSFEREES AND CREDITORS OF PARTNER

- 25.05.200 Partner not co-owner of partnership property.
- 25.05.205 Partner's transferable interest in partnership.
- 25.05.210 Transfer of partner's transferable interest.
- 25.05.215 Partner's transferable interest subject to charging order.

ARTICLE 6
PARTNER'S DISSOCIATION

- 25.05.225 Events causing partner's dissociation.
- 25.05.230 Partner's power to dissociate—Wrongful dissociation.
- 25.05.235 Effect of partner's dissociation.

ARTICLE 7

PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP

- 25.05.250 Purchase of dissociated partner's interest.
- 25.05.255 Dissociated partner's power to bind and liability to partnership.
- 25.05.260 Dissociated partner's liability to other persons.
- 25.05.265 Statement of dissociation.
- 25.05.270 Continued use of partnership name.

ARTICLE 8

WINDING UP PARTNERSHIP BUSINESS

- 25.05.300 Events causing dissolution and winding up of partnership business.
- 25.05.305 Partnership continues after dissolution.
- 25.05.310 Right to wind up partnership business.
- 25.05.315 Partner's power to bind partnership after dissolution.
- 25.05.320 Statement of dissolution.
- 25.05.325 Partner's liability to other partners after dissolution.
- 25.05.330 Settlement of accounts and contributions among partners.

ARTICLE 9

CONVERSIONS AND MERGERS

- 25.05.350 Definitions.
- 25.05.355 Conversion of partnership to limited partnership.
- 25.05.360 Conversion of limited partnership to partnership.
- 25.05.365 Effect of conversion—Entity unchanged.
- 25.05.370 Merger of partnerships.
- 25.05.375 Merger—Plan—Approval.
- 25.05.380 Articles of merger—Filing.
- 25.05.385 Effect of merger.
- 25.05.390 Merger—Foreign and domestic.
- 25.05.395 Nonexclusive.

ARTICLE 10

DISSENTERS' RIGHTS

- 25.05.420 Definitions.
- 25.05.425 Partner—Dissent—Payment of fair value.
- 25.05.430 Dissenters' rights—Notice—Timing.
- 25.05.435 Partner—Dissent—Voting restriction.
- 25.05.440 Partners—Dissenters' notice—Requirements.
- 25.05.445 Partner—Payment demand—Entitlement.
- 25.05.450 Partners' interests—Transfer restriction.
- 25.05.455 Payment of fair value—Requirements for compliance.
- 25.05.460 Merger—Not effective within sixty days—Transfer restrictions.
- 25.05.465 Dissenter's estimate of fair value—Notice.
- 25.05.470 Unsettled demand for payment—Proceeding—Parties—Appraisers.
- 25.05.475 Unsettled demand for payment—Costs—Fees and expenses of counsel.

ARTICLE 11

LIMITED LIABILITY PARTNERSHIP

- 25.05.500 Formation—Registration—Application—Registered agent—Fee.
- 25.05.505 Name.
- 25.05.510 Rendering professional services.

- 25.05.530 Change of registered agent for service of process.
- 25.05.533 Resignation of registered agent for service of process.
- 25.05.536 Service of process.

ARTICLE 12
FOREIGN LIMITED LIABILITY PARTNERSHIP

- 25.05.550 Foreign limited liability partnership—Effect of registration and governing law.
- 25.05.555 Registration requirement.
- 25.05.560 Failure to register—Penalties—Service of process.
- 25.05.565 Activities not constituting transacting business.
- 25.05.580 Registered agent—Designation and maintenance.
- 25.05.583 Change of registered agent for service of process.
- 25.05.586 Resignation of registered agent.
- 25.05.589 Service of process.

ARTICLE 13
MISCELLANEOUS PROVISIONS

- 25.05.901 Dates of applicability.
- 25.05.902 Applicable fees, charges, and penalties.
- 25.05.903 Authority to adopt rules—Secretary of state.
- 25.05.904 Uniformity of application and construction—1998 c 103.
- 25.05.905 Short title—1998 c 103.
- 25.05.907 Savings clause—1998 c 103.

ARTICLE 1
GENERAL PROVISIONS

RCW 25.05.005 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise:

- (1) "Business" includes every trade, occupation, and profession.
- (2) "Debtor in bankruptcy" means a person who is the subject of:
 - (a) An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or
 - (b) A comparable order under federal, state, or foreign law governing insolvency.
- (3) "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.
- (4) "Foreign limited liability partnership" means a partnership that:
 - (a) Is formed under laws other than the laws of this state; and
 - (b) Has the status of a limited liability partnership under those laws.
- (5) "Limited liability partnership" means a partnership that has filed an application under RCW 25.05.500 and does not have a similar statement in effect in any other jurisdiction.
- (6) "Partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under RCW 25.05.055, predecessor law, or comparable law of another jurisdiction.

(7) "Partnership agreement" means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement.

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

(9) "Partnership interest" or "partner's interest in the partnership" means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights.

(10) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(11) "Property" means all property, real, personal, or mixed, tangible or intangible, or any interest therein.

(12) "Registered agent" means the person designated under Article 4 of chapter 23.95 RCW to serve as the agent of the entity authorized to receive service of any process, notice, or demand required or permitted by law to be served on the entity.

(13) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

(14) "Statement" means a statement of partnership authority under RCW 25.05.110, a statement of denial under RCW 25.05.115, a statement of dissociation under RCW 25.05.265, a statement of dissolution under RCW 25.05.320, or an amendment or cancellation of any statement under these sections.

(15) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and encumbrance. [2015 c 176 § 5101; 2009 c 202 § 3; 1998 c 103 § 101.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.010 Knowledge and notice. (1) A person knows a fact if the person has actual knowledge of it.

(2) A person has notice of a fact if the person:

(a) Knows of it;

(b) Has received a notification of it; or

(c) Has reason to know it exists from all of the facts known to the person at the time in question.

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

(4) A person receives a notification when the notification:

(a) Comes to the person's attention; or

(b) Is duly delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.

(5) Except as otherwise provided in subsection (6) of this section, a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction knows, has notice, or receives a notification of the fact, or in any event when

the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. The person exercises reasonable diligence if the person maintains reasonable routines for communicating significant information to the individual conducting the transaction and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

(6) A partner's knowledge, notice, or receipt of a notification of a fact relating to the partnership is effective immediately as knowledge by, notice to, or receipt of a notification by the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner. [1998 c 103 § 102.]

RCW 25.05.015 Effect of partnership agreement—Nonwaivable provisions. (1) Except as otherwise provided in subsection (2) of this section, relations among the partners and between the partners and the partnership are governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, this chapter governs relations among the partners and between the partners and the partnership.

(2) The partnership agreement may not:

(a) Vary the rights and duties under RCW 25.05.025 except to eliminate the duty to provide copies of statements to all of the partners;

(b) Unreasonably restrict the right of access to books and records under RCW 25.05.160(2);

(c) Eliminate the duty of loyalty under RCW 25.05.165(2) or 25.05.235(2)(c), but, if not manifestly unreasonable:

(i) The partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty; or

(ii) All of the partners or a number or percentage specified in the partnership agreement may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;

(d) Unreasonably reduce the duty of care under RCW 25.05.165(3) or 25.05.235(2)(c);

(e) Eliminate the obligation of good faith and fair dealing under RCW 25.05.165(4), but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;

(f) Vary the power to dissociate as a partner under RCW 25.05.230(1), except to require the notice under RCW 25.05.225(1) to be in writing;

(g) Vary the right of a court to expel a partner in the events specified in RCW 25.05.225(5);

(h) Vary the requirement to wind up the partnership business in cases specified in RCW 25.05.300 (4), (5), or (6);

(i) Vary the law applicable to a limited liability partnership under RCW 25.05.030(2); or

(j) Restrict rights of third parties under this chapter. [1998 c 103 § 103.]

RCW 25.05.020 Supplemental principles of law. (1) Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

(2) If an obligation to pay interest arises under this chapter and the rate is not specified, the rate is that specified in RCW 19.52.010(1). [1998 c 103 § 104.]

RCW 25.05.025 Delivery and filing of statements. (1) A statement may be delivered to the office of the secretary of state for filing in accordance with Article 2 of chapter 23.95 RCW. A certified copy of a statement that is filed in an office in another state may be delivered to the office of the secretary of state for filing in accordance with Article 2 of chapter 23.95 RCW. Either filing has the effect provided in this chapter with respect to partnership property located in or transactions that occur in this state.

(2) A statement delivered by a partnership to the secretary of state for filing must be executed by at least two partners. Other statements must be executed by a partner or other person authorized by this chapter. An individual who executes a statement as, or on behalf of, a partner or other person shall personally declare under penalty of perjury that the contents of the statement are accurate.

(3) A person authorized by this chapter to deliver a statement to the secretary of state for filing may amend or cancel the statement by delivering to the secretary of state for filing an amendment or cancellation that names the partnership, identifies the statement, and states the substance of the amendment or cancellation.

(4) A person who delivers a statement to the secretary of state for filing shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner. [2015 c 176 § 5102; 1998 c 103 § 105.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.030 Governing law. (1) Except as otherwise provided in subsection (2) of this section, the law of the jurisdiction in which a partnership has its chief executive office governs relations among the partners and the partnership.

(2) The law of this state governs relations among the partners and the partnership and the liability of partners for an obligation of a limited liability partnership. [1998 c 103 § 106.]

RCW 25.05.035 Partnership subject to amendment or repeal of chapter. A partnership governed by this chapter is subject to any amendment to or repeal of this chapter. [1998 c 103 § 107.]

ARTICLE 2
NATURE OF PARTNERSHIP

RCW 25.05.050 Partnership as entity. (1) A partnership is an entity distinct from its partners.

(2) A limited liability partnership continues to be the same entity that existed before the filing of an application under RCW 25.05.500(2). [2000 c 169 § 10; 1998 c 103 § 201.]

RCW 25.05.055 Formation of partnership. (1) Except as otherwise provided in subsection (2) of this section, the association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.

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

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

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

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

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

(i) Of a debt by installments or otherwise;

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

(iii) Of rent;

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

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

(vi) For the sale of the goodwill of a business or other property by installments or otherwise. [1998 c 103 § 202.]

RCW 25.05.060 Partnership property. Property acquired by a partnership is property of the partnership and not of the partners individually. [1998 c 103 § 203.]

RCW 25.05.065 When property is partnership property. (1) Property is partnership property if acquired in the name of:

(a) The partnership; or

(b) One or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership, whether or not there is an indication of the name of the partnership.

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

(a) The partnership in its name; or

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

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

(4) Property acquired in the name of one or more of the partners, without an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership and without use of partnership assets, is presumed to be separate property, even if used for partnership purposes. [1998 c 103 § 204.]

ARTICLE 3

RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP

RCW 25.05.100 Partner agent of partnership. Subject to the effect of a statement of partnership authority under RCW 25.05.110:

(1) Each partner is an agent of the partnership for the purpose of its business. An act of a partner, including the execution of an instrument in the partnership name, for apparently carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership, unless the partner had no authority to act for the partnership in the particular matter and the person with whom the partner was dealing knew or had received a notification that the partner lacked authority.

(2) An act of a partner which is not apparently for carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership only if the act was authorized by the other partners. [1998 c 103 § 301.]

RCW 25.05.105 Transfer of partnership property. (1) Partnership property may be transferred as follows:

(a) Subject to the effect of a statement of partnership authority under RCW 25.05.110, partnership property held in the name of the partnership may be transferred by an instrument of transfer executed by a partner in the partnership name;

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

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

(2) A partnership may recover partnership property from a transferee only if it proves that execution of the instrument of initial transfer did not bind the partnership under RCW 25.05.100, and:

(a) As to a subsequent transferee who gave value for property transferred under subsection (1)(a) and (b) of this section, proves that the subsequent transferee knew or had received a notification that the person who executed the instrument of initial transfer lacked authority to bind the partnership; or

(b) As to a transferee who gave value for property transferred under subsection (1)(c) of this section, proves that the transferee knew or had received a notification that the property was partnership property and that the person who executed the instrument of initial transfer lacked authority to bind the partnership.

(3) A partnership may not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection (2) of this section, from any earlier transferee of the property.

(4) If a person holds all of the partners' interests in the partnership, all of the partnership property vests in that person. The person may execute a document in the name of the partnership to evidence vesting of the property in that person and may file or record the document. [1998 c 103 § 302.]

RCW 25.05.110 Statement of partnership authority. (1) A partnership may deliver to the secretary of state for filing a statement of partnership authority, which:

(a) Must include:

(i) The name of the partnership; and

(ii) The street address of its chief executive office and of one office in this state, if there is one; and

(b) May state the names of all of the partners, the names of the partners authorized to execute an instrument transferring real property held in the name of the partnership, the authority, or limitations on the authority, of some or all of the partners to enter into other transactions on behalf of the partnership and any other matter.

(2) A grant of authority contained in a filed statement of partnership authority is conclusive in favor of a person not a partner who gives value without knowledge to the contrary, so long as and to the extent that a limitation on that authority is not then contained in a subsequently filed statement. A filed cancellation of a limitation on authority revives the previous grant of authority.

(3) A person not a partner is deemed to know of a limitation on the authority of a partner to transfer real property held in the name of the partnership if the limitation is contained in a filed statement of partnership authority.

(4) Except as otherwise provided in subsection (3) of this section and RCW 25.05.265 and 25.05.320, a person not a partner is not deemed to know of a limitation on the authority of a partner merely because the limitation is contained in a filed statement.

(5) Unless earlier canceled, a filed statement of partnership authority is canceled by operation of law five years after the date on which the statement, or the most recent amendment, was filed by the secretary of state. [2015 c 176 § 5103; 1998 c 103 § 303.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.115 Statement of denial. A partner, or other person named as a partner in a filed statement of partnership authority, may deliver to the secretary of state for filing a statement of denial stating the name of the partnership and the fact that is being denied, which may include denial of a person's authority or status as a partner. A statement of denial is a limitation on authority as provided in RCW 25.05.110 (2) and (3). [2015 c 176 § 5104; 1998 c 103 § 304.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.120 Partnership liable for partner's actionable conduct. (1) A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course of business of the partnership or with authority of the partnership.

(2) If, in the course of the partnership's business or while acting with authority of the partnership, a partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a partner, the partnership is liable for the loss. [1998 c 103 § 305.]

RCW 25.05.125 Partner's liability. (1) Except as otherwise provided in subsections (2), (3), and (4) of this section, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.

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

(3) Except as otherwise provided in subsection (4) of this section, an obligation of a partnership incurred while the partnership is a limited liability partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the partnership. A partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or so acting as a partner. This subsection applies notwithstanding anything inconsistent in the partnership agreement that existed, in the case of a limited liability partnership in existence on June 11, 1998, and, in the case of a partnership becoming a limited liability partnership after June 11, 1998, immediately before the vote required to become a limited liability partnership under RCW 25.05.500(1).

(4) If the partners of a limited liability partnership or a foreign limited liability partnership are required to be licensed to provide professional services as defined in RCW 18.100.030, and the partnership fails to maintain for itself and for its members practicing in this state a policy of professional liability insurance, bond, deposit in trust, bank escrow of cash, bank certificates of deposit, United States treasury obligations, bank letter of credit, insurance company bond, or other evidence of financial responsibility of a kind designated by rule by the state insurance commissioner and

in the amount of at least one million dollars or such greater amount, not to exceed three million dollars, as the state insurance commissioner may establish by rule for a licensed profession or for any specialty within a profession, taking into account the nature and size of the businesses within the profession or specialty, then the partners shall be personally liable to the extent that, had such insurance, bond, deposit in trust, bank escrow of cash, bank certificates of deposit, United States treasury obligations, bank letter of credit, insurance company bond, or other evidence of responsibility been maintained, it would have covered the liability in question. [1998 c 103 § 306.]

RCW 25.05.130 Actions by and against partnership and partners.

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

(2) An action may be brought against the partnership and, to the extent not inconsistent with RCW 25.05.125, any or all of the partners in the same action or in separate actions.

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

(4) A judgment creditor of a partner may not levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership unless the partner is personally liable for the claim under RCW 25.05.125, and:

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

(b) The partnership is a debtor in bankruptcy;

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

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

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

(5) This section applies to any partnership liability or obligation resulting from a representation by a partner or purported partner under RCW 25.05.135. [1998 c 103 § 307.]

RCW 25.05.135 Liability of purported partner. (1) If a person, by words or conduct, purports to be a partner, or consents to being represented by another as a partner, in a partnership or with one or more persons not partners, the purported partner is liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership. If the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner is liable with respect to

that liability as if the purported partner were a partner. If no partnership liability results, the purported partner is liable with respect to that liability jointly and severally with any other person consenting to the representation.

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

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

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

(5) Except as otherwise provided in subsections (1) and (2) of this section, persons who are not partners as to each other are not liable as partners to other persons. [1998 c 103 § 308.]

ARTICLE 4

RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP

RCW 25.05.150 Partner's rights and duties. (1) Each partner is deemed to have an account that is:

(a) Credited with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, the partner contributes to the partnership and the partner's share of the partnership profits; and

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

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

(3) A partnership shall reimburse a partner for payments made and indemnify a partner for liabilities incurred by the partner in the ordinary course of the business of the partnership or for the preservation of its business or property.

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

(5) A payment or advance made by a partner which gives rise to a partnership obligation under subsection (3) or (4) of this section constitutes a loan to the partnership which accrues interest from the date of the payment or advance.

(6) Each partner has equal rights in the management and conduct of the partnership business.

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

(8) A partner is not entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.

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

(10) A difference arising as to a matter in the ordinary course of business of a partnership may be decided by a majority of the partners. An act outside the ordinary course of business of a partnership and an amendment to the partnership agreement may be undertaken only with the consent of all of the partners.

(11) This section does not affect the obligations of a partnership to other persons under RCW 25.05.100. [1998 c 103 § 401.]

RCW 25.05.155 Distributions in kind. A partner has no right to receive, and may not be required to accept, a distribution in kind. [1998 c 103 § 402.]

RCW 25.05.160 Partner's rights and duties with respect to information. (1) A partnership shall keep its books and records, if any, at its chief executive office.

(2) A partnership shall provide partners and their agents and attorneys access to its books and records. It shall provide former partners and their agents and attorneys access to books and records pertaining to the period during which they were partners. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. A partnership may impose a reasonable charge, covering the costs of labor and material, for copies of documents furnished.

(3) Each partner and the partnership shall furnish to a partner, and to the legal representative of a deceased partner or partner under legal disability:

(a) Without demand, any information concerning the partnership's business and affairs reasonably required for the proper exercise of the partner's rights and duties under the partnership agreement or this chapter; and

(b) On demand, any other information concerning the partnership's business and affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances. [1998 c 103 § 403.]

RCW 25.05.165 General standards of partner's conduct. (1) The only fiduciary duties a partner owes to the partnership and the other partners are the duty of loyalty and the duty of care set forth in subsections (2) and (3) of this section.

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

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

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

(c) To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

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

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

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

(6) A partner may lend money to and transact other business with the partnership, and as to each loan or transaction the rights and obligations of the partner are the same as those of a person who is not a partner, subject to other applicable law.

(7) This section applies to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner. [1998 c 103 § 404.]

RCW 25.05.170 Actions by partnership and partners. (1) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

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

(a) Enforce the partner's rights under the partnership agreement;

(b) Enforce the partner's rights under this chapter, including:

(i) The partner's rights under RCW 25.05.150, 25.05.160, or 25.05.165;

(ii) The partner's right on dissociation to have the partner's interest in the partnership purchased pursuant to RCW 25.05.250 or enforce any other right under article 6 or 7 of this chapter; or

(iii) The partner's right to compel a dissolution and winding up of the partnership business under RCW 25.05.300 or enforce any other right under article 8 of this chapter; or

(c) Enforce the rights and otherwise protect the interests of the partner, including rights and interests arising independently of the partnership relationship.

(3) The accrual of, and any time limitation on, a right of action for a remedy under this section is governed by other law. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law. [1998 c 103 § 405.]

RCW 25.05.175 Continuation of partnership beyond definite term or particular undertaking. (1) If a partnership for a definite term or particular undertaking is continued, without an express agreement, after the expiration of the term or completion of the undertaking, the rights and duties of the partners remain the same as they were at the

expiration or completion, so far as is consistent with a partnership at will.

(2) If the partners, or those of them who habitually acted in the business during the term or undertaking, continue the business without any settlement or liquidation of the partnership, they are presumed to have agreed that the partnership will continue. [1998 c 103 § 406.]

ARTICLE 5
TRANSFEREES AND CREDITORS OF PARTNER

RCW 25.05.200 Partner not co-owner of partnership property. A partner is not a co-owner of partnership property and has no interest in partnership property which can be transferred, either voluntarily or involuntarily. [1998 c 103 § 501.]

RCW 25.05.205 Partner's transferable interest in partnership. The only transferable interest of a partner in the partnership is the partner's share of the profits and losses of the partnership and the partner's right to receive distributions. The interest is personal property. [1998 c 103 § 502.]

RCW 25.05.210 Transfer of partner's transferable interest. (1) A transfer, in whole or in part, of a partner's transferable interest in the partnership:

- (a) Is permissible;
- (b) Does not by itself cause the partner's dissociation or a dissolution and winding up of the partnership business; and
- (c) Does not, as against the other partners or the partnership, entitle the transferee, during the continuance of the partnership, to participate in the management or conduct of the partnership business, to require access to information concerning partnership transactions, or to inspect or copy the partnership books or records.

(2) A transferee of a partner's transferable interest in the partnership has a right:

- (a) To receive, in accordance with the transfer, allocations of profits and losses of the partnership and distributions to which the transferor would otherwise be entitled;
- (b) To receive upon the dissolution and winding up of the partnership business, in accordance with the transfer, the net amount otherwise distributable to the transferor; and
- (c) To seek under RCW 25.05.300(6) a judicial determination that it is equitable to wind up the partnership business.

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

(4) Upon transfer, the transferor retains the rights and duties of a partner other than the interest in profits and losses of the partnership and distributions transferred.

(5) A partnership need not give effect to a transferee's rights under this section until it has notice of the transfer.

(6) A transfer of a partner's transferable interest in the partnership in violation of a restriction on transfer contained in the

partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer. [1998 c 103 § 503.]

RCW 25.05.215 Partner's transferable interest subject to charging order. (1) On application by a judgment creditor of a partner or of a partner's transferee, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require.

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

(3) At any time before foreclosure, an interest charged may be redeemed:

(a) By the judgment debtor;

(b) With property other than partnership property, by one or more of the other partners; or

(c) With partnership property, by one or more of the other partners with the consent of all of the partners whose interests are not so charged.

(4) This chapter does not deprive a partner of a right under exemption laws with respect to the interest in the partnership.

(5) This section provides the exclusive remedy by which a judgment creditor of a partner or partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in the partnership. [1998 c 103 § 504.]

ARTICLE 6 PARTNER'S DISSOCIATION

RCW 25.05.225 Events causing partner's dissociation. A partner is dissociated from a partnership upon the occurrence of any of the following events:

(1) The partnership's having notice of the partner's express will to withdraw as a partner or on a later date specified by the partner;

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

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

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

(a) It is unlawful to carry on the partnership business with that partner;

(b) There has been a transfer of all or substantially all of that partner's transferable interest in the partnership, other than a transfer for security purposes or a court order charging the partner's interest which, in either case, has not been foreclosed;

(c) Within ninety days after the partnership notifies a corporate partner that it will be expelled because it has filed articles of dissolution, it has been administratively or judicially dissolved, or

its right to conduct business has been suspended by the jurisdiction of its incorporation, and there is no revocation of the articles of dissolution, no reinstatement following its administrative dissolution, or reinstatement of its right to conduct business by the jurisdiction of its incorporation, as applicable; or

(d) A partnership or limited liability company that is a partner has been dissolved and its business is being wound up;

(5) On application by the partnership or another partner, the partner's expulsion by judicial determination because:

(a) The partner engaged in wrongful conduct that adversely and materially affected the partnership business;

(b) The partner willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under RCW 25.05.165; or

(c) The partner engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with the partner;

(6) The partner's:

(a) Becoming a debtor in bankruptcy;

(b) Executing an assignment for the benefit of creditors;

(c) Seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of that partner or of all or substantially all of that partner's property; or

(d) Failing, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the partner or of all or substantially all of the partner's property obtained without the partner's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated;

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

(a) The partner's death;

(b) The appointment of a guardian or general conservator for the partner; or

(c) A judicial determination that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement;

(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 trust, distribution of the trust's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor trustee;

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

(10) Termination of a partner who is not an individual, partnership, corporation, limited liability company, trust, or estate. [2000 c 169 § 11; 1998 c 103 § 601.]

RCW 25.05.230 Partner's power to dissociate—Wrongful dissociation. (1) A partner has the power to dissociate at any time, rightfully or wrongfully, by express will pursuant to RCW 25.05.225(1).

(2) A partner's dissociation is wrongful only if:

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

(b) In the case of a partnership for a definite term or particular undertaking, before the expiration of the term or the completion of the undertaking:

(i) The partner withdraws by express will, unless the withdrawal follows within ninety days after another partner's dissociation by death or otherwise under RCW 25.05.225 (6) through (10) or wrongful dissociation under this subsection;

(ii) The partner is expelled by judicial determination under RCW 25.05.225(5);

(iii) The partner is dissociated as the result of an event described in RCW 25.05.225(6); or

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

(3) A partner who wrongfully dissociates is liable to the partnership and to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the partner to the partnership or to the other partners. [1998 c 103 § 602.]

RCW 25.05.235 Effect of partner's dissociation. (1) If a partner's dissociation results in a dissolution and winding up of the partnership business, article 8 of this chapter applies; otherwise, article 7 of this chapter applies.

(2) Upon a partner's dissociation:

(a) The partner's right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in RCW 25.05.310;

(b) The partner's duty of loyalty under RCW 25.05.165(2) (c) terminates; and

(c) The partner's duty of loyalty under RCW 25.05.165(2) (a) and (b) and duty of care under RCW 25.05.165(3) continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to RCW 25.05.310. [1998 c 103 § 603.]

ARTICLE 7

PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP

RCW 25.05.250 Purchase of dissociated partner's interest. (1) If a partner is dissociated from a partnership without resulting in a dissolution and winding up of the partnership business under RCW 25.05.300, the partnership shall cause the dissociated partner's interest in the partnership to be purchased for a buyout price determined pursuant to subsection (2) of this section.

(2) The buyout price of a dissociated partner's interest is the amount that would have been distributable to the dissociating partner under RCW 25.05.330(2) if, on the date of dissociation, the assets of the partnership were sold at a price equal to the greater of the liquidation value or the value based on a sale of the entire business as a going concern without the dissociated partner and the partnership

were wound up as of that date. Interest must be paid from the date of dissociation to the date of payment.

(3) Damages for wrongful dissociation under RCW 25.05.230(2), and all other amounts owing, whether or not presently due, from the dissociated partner to the partnership, must be offset against the buyout price. Interest must be paid from the date the amount owed becomes due to the date of payment.

(4) A partnership shall indemnify a dissociated partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the dissociated partner under RCW 25.05.255.

(5) If no agreement for the purchase of a dissociated partner's interest is reached within one hundred twenty days after a written demand for payment, the partnership shall pay, or cause to be paid, in cash to the dissociated partner the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest under subsection (3) of this section.

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

(7) The payment or tender required by subsection (5) or (6) of this section must be accompanied by the following:

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

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

(c) An explanation of how the estimated amount of the payment was calculated; and

(d) Written notice that the payment is in full satisfaction of the obligation to purchase unless, within one hundred twenty days after the written notice, the dissociated partner commences an action to determine the buyout price, any offsets under subsection (3) of this section, or other terms of the obligation to purchase.

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

(9) A dissociated partner may maintain an action against the partnership, pursuant to RCW 25.05.170(2)(b)(ii), to determine the buyout price of that partner's interest, any offsets under subsection (3) of this section, or other terms of the obligation to purchase. The action must be commenced within one hundred twenty days after the partnership has tendered payment or an offer to pay or within one year after written demand for payment if no payment or offer to pay is tendered. The court shall determine the buyout price of the dissociated partner's interest, any offset due under subsection (3) of this section, and accrued interest, and enter judgment for any additional payment or refund. If deferred payment is authorized under subsection (8) of this section, the court shall also determine the security for payment and other terms of the obligation to purchase.

The court may assess reasonable attorneys' fees and the fees and expenses of appraisers or other experts for a party to the action, in amounts the court finds equitable, against a party that the court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to pay or to comply with subsection (7) of this section. [1998 c 103 § 701.]

RCW 25.05.255 Dissociated partner's power to bind and liability to partnership. (1) For two years after a partner dissociates without resulting in a dissolution and winding up of the partnership business, the partnership, including a surviving partnership under article 9 of this chapter, is bound by an act of the dissociated partner which would have bound the partnership under RCW 25.05.100 before dissociation only if at the time of entering into the transaction the other party:

- (a) Reasonably believed that the dissociated partner was then a partner;
- (b) Did not have notice of the partner's dissociation; and
- (c) Is not deemed to have had knowledge under RCW 25.05.110(3) or notice under RCW 25.05.265(3).

(2) A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection (1) of this section. [1998 c 103 § 702.]

RCW 25.05.260 Dissociated partner's liability to other persons.

(1) A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in subsection (2) of this section.

(2) A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under article 9 of this chapter, within two years after the partner's dissociation, only if the partner is liable for the obligation under RCW 25.05.125 and at the time of entering into the transaction the other party:

- (a) Reasonably believed that the dissociated partner was then a partner;
- (b) Did not have notice of the partner's dissociation; and
- (c) Is not deemed to have had knowledge under RCW 25.05.110(3) or notice under RCW 25.05.265(3).

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

(4) A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation. [1998 c 103 § 703.]

RCW 25.05.265 Statement of dissociation. (1) A dissociated partner or the partnership may file a statement of dissociation stating the name of the partnership and that the partner is dissociated from the partnership.

(2) A statement of dissociation is a limitation on the authority of a dissociated partner for the purposes of RCW 25.05.110 (2) and (3).

(3) For the purposes of RCW 25.05.255(1)(c) and 25.05.260(2)(c), a person not a partner is deemed to have notice of the dissociation ninety days after the statement of dissociation is filed. [1998 c 103 § 704.]

RCW 25.05.270 Continued use of partnership name. Continued use of a partnership name, or a dissociated partner's name as part thereof, by partners continuing the business does not of itself make the dissociated partner liable for an obligation of the partners or the partnership continuing the business. [1998 c 103 § 705.]

ARTICLE 8
WINDING UP PARTNERSHIP BUSINESS

RCW 25.05.300 Events causing dissolution and winding up of partnership business. A partnership is dissolved, and its business must be wound up, only upon the occurrence of any of the following events:

(1) In a partnership at will, the partnership's having notice from a partner, other than a partner who is dissociated under RCW 25.05.225 (2) through (10), of that partner's express will to withdraw as a partner, or on a later date specified by the partner;

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

(a) Within ninety days after a partner's dissociation by death or otherwise under RCW 25.05.225 (6) through (10) or wrongful dissociation under RCW 25.05.230(2) if a majority of the remaining partners decide to wind up the partnership business, and for purposes of this subsection a partner's rightful dissociation pursuant to RCW 25.05.230(2)(b)(i) constitutes the expression of that partner's will to wind up the partnership business;

(b) The express will of all of the partners to wind up the partnership business; or

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

(3) An event agreed to in the partnership agreement resulting in the winding up of the partnership business;

(4) An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within ninety days after notice to the partnership of the event is effective retroactively to the date of the event for purposes of this section;

(5) On application by a partner, a judicial determination that:

(a) The economic purpose of the partnership is likely to be unreasonably frustrated;

(b) Another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner; or

(c) It is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement; or

(6) On application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business:

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

(b) At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer. [1998 c 103 § 801.]

RCW 25.05.305 Partnership continues after dissolution. (1)

Subject to subsection (2) of this section, a partnership continues after dissolution only for the purpose of winding up its business. The partnership is terminated when the winding up of its business is completed.

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

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

(b) The rights of a third party accruing under RCW 25.05.315(1) or arising out of conduct in reliance on the dissolution before the third party knew or received a notification of the waiver may not be adversely affected. [1998 c 103 § 802.]

RCW 25.05.310 Right to wind up partnership business. (1) After

dissolution, a partner who has not wrongfully dissociated may participate in winding up the partnership's business, but on application of any partner, partner's legal representative, or transferee, the superior court, for good cause shown, may order judicial supervision of the winding up.

(2) The legal representative of the last surviving partner may wind up a partnership's business.

(3) A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to RCW 25.05.330, settle disputes by mediation or arbitration, and perform other necessary acts. [1998 c 103 § 803.]

RCW 25.05.315 Partner's power to bind partnership after dissolution. Subject to RCW 25.05.320, a partnership is bound by a partner's act after dissolution that:

- (1) Is appropriate for winding up the partnership business; or
- (2) Would have bound the partnership under RCW 25.05.100 before dissolution, if the other party to the transaction did not have notice of the dissolution. [1998 c 103 § 804.]

RCW 25.05.320 Statement of dissolution. (1) After dissolution, a partner who has not wrongfully dissociated may file a statement of dissolution stating the name of the partnership and that the partnership has dissolved and is winding up its business.

(2) A statement of dissolution cancels all previously filed statements of partnership authority.

(3) For the purposes of RCW 25.05.100 and 25.05.315, a person not a partner is deemed to have notice of the dissolution and the limitation on the partners' authority as a result of the statement of dissolution ninety days after it is filed.

(4) After filing a statement of dissolution, a dissolved partnership may file a statement of partnership authority which will operate with respect to a person not a partner as provided in RCW 25.05.110 (2) and (3) in any transaction, whether or not the transaction is appropriate for winding up the partnership business. [1998 c 103 § 805.]

RCW 25.05.325 Partner's liability to other partners after dissolution. (1) Except as otherwise provided in subsection (2) of this section, after dissolution a partner is liable to the other partners for the partner's share of any partnership liability incurred under RCW 25.05.315.

(2) A partner who, with knowledge of the dissolution, incurs a partnership liability under RCW 25.05.315(2) by an act that is not appropriate for winding up the partnership business is liable to the partnership for any damage caused to the partnership arising from the liability. [1998 c 103 § 806.]

RCW 25.05.330 Settlement of accounts and contributions among partners. (1) In winding up a partnership's business, the assets of the partnership, including the contributions of the partners required by this section, must be applied to discharge its obligations to creditors, including, to the extent permitted by law, partners who are creditors. Any surplus must be applied to pay in cash the net amount distributable to partners in accordance with their right to distributions under subsection (2) of this section.

(2) Each partner is entitled to a settlement of all partnership accounts upon winding up the partnership business. In settling accounts among the partners, profits and losses that result from the liquidation of the partnership assets must be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the charges in the partner's account. A partner shall contribute to the partnership an amount equal to any excess of the charges over the credits in the partner's account, except, in the case of a limited liability partnership the partner shall make such contribution only to

the extent of his or her share of any unpaid partnership obligations for which the partner has personal liability under RCW 25.05.125.

(3) If a partner fails to contribute the full amount required under subsection (2) of this section, all of the other partners shall contribute, in the proportions in which those partners share partnership losses, the additional amount necessary to satisfy the partnership obligations for which they are personally liable under RCW 25.05.125. A partner or partner's legal representative may recover from the other partners any contributions the partner makes to the extent the amount contributed exceeds that partner's share of the partnership obligations for which the partner is personally liable under RCW 25.05.125.

(4) After the settlement of accounts, each partner shall contribute, in the proportion in which the partner shares partnership losses, the amount necessary to satisfy partnership obligations that were not known at the time of the settlement and for which the partner is personally liable under RCW 25.05.125.

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

(6) An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute to the partnership. [1998 c 103 § 807.]

ARTICLE 9 CONVERSIONS AND MERGERS

RCW 25.05.350 Definitions. The definitions in this article [section] apply throughout this article unless the context clearly requires otherwise:

(1) "General partner" means a partner in a partnership and a general partner in a limited partnership.

(2) "Limited partner" means a limited partner in a limited partnership.

(3) "Limited partnership" means a limited partnership created under the Washington uniform limited partnership act, predecessor law, or comparable law of another jurisdiction.

(4) "Partner" includes both a general partner and a limited partner. [1998 c 103 § 901.]

RCW 25.05.355 Conversion of partnership to limited partnership.

(1) A partnership may be converted to a limited partnership pursuant to this section.

(2) The terms and conditions of a conversion of a partnership to a limited partnership must be approved by all of the partners or by a number or percentage specified for conversion in the partnership agreement.

(3) After the conversion is approved by the partners, the partnership shall file a certificate of limited partnership in the jurisdiction in which the limited partnership is to be formed. The certificate must include:

(a) A statement that the partnership was converted to a limited partnership from a partnership;

(b) Its former name; and

(c) A statement of the number of votes cast by the partners for and against the conversion and, if the vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.

(4) If the partnership was converted to a domestic limited partnership, the certificate must also include:

(a) The name of the limited partnership;

(b) The address of the office for records and the name and address of the registered agent for service of process designated in accordance with Article 4 of chapter 23.95 RCW;

(c) The name and the geographical and mailing address of each general partner;

(d) The latest date upon which the limited partnership is to dissolve; and

(e) Any other matters the general partners determine to include therein.

(5) The conversion takes effect when the certificate of limited partnership is filed or at any later date specified in the certificate in accordance with RCW 23.95.210.

(6) A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the limited partner is liable for an obligation incurred by the limited partnership within ninety days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in the Washington uniform limited partnership act. [2015 c 176 § 5105; 2009 c 188 § 1405; 1998 c 103 § 902.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

Effective date—2009 c 188: See note following RCW 23B.11.080.

RCW 25.05.360 Conversion of limited partnership to partnership.

(1) A limited partnership may be converted to a partnership pursuant to this section.

(2) Notwithstanding a provision to the contrary in a limited partnership agreement, the terms and conditions of a conversion of a limited partnership to a partnership must be approved by all of the partners.

(3) After the conversion is approved by the partners, the limited partnership shall cancel its certificate of limited partnership.

(4) The conversion takes effect when the certificate of limited partnership is canceled.

(5) A limited partner who becomes a general partner as a result of the conversion remains liable only as a limited partner for an obligation incurred by the limited partnership before the conversion takes effect. Except as otherwise provided in RCW 25.05.125, the partner is liable as a general partner for an obligation of the partnership incurred after the conversion takes effect. [1998 c 103 § 903.]

RCW 25.05.365 Effect of conversion—Entity unchanged. (1) A partnership or limited partnership that has been converted pursuant to this article is for all purposes the same entity that existed before the conversion.

(2) When a conversion takes effect:

(a) All property owned by the converting partnership or limited partnership remains vested in the converted entity;

(b) All obligations of the converting partnership or limited partnership continue as obligations of the converted entity; and

(c) An action or proceeding pending against the converting partnership or limited partnership may be continued as if the conversion had not occurred. [1998 c 103 § 904.]

RCW 25.05.370 Merger of partnerships. (1) One or more domestic partnerships may merge with one or more domestic partnerships, domestic limited partnerships, domestic limited liability companies, or domestic corporations pursuant to a plan of merger approved or adopted as provided in RCW 25.05.375.

(2) The plan of merger must set forth:

(a) The name of each partnership, limited liability company, limited partnership, and corporation planning to merge and the name of the surviving partnership, limited liability company, limited partnership, or corporation into which the other partnership, limited liability company, limited partnership, or corporation plans to merge;

(b) The terms and conditions of the merger; and

(c) The manner and basis of converting the interests of each member of each limited liability company, the partnership interests in each partnership and each limited partnership, and the shares of each corporation party to the merger into the interests, shares, obligations, or other securities of the surviving or any other partnership, limited liability company, limited partnership, or corporation or into cash or other property in whole or part.

(3) The plan of merger may set forth:

(a) Amendments to the certificate of formation of the surviving limited liability company;

(b) Amendments to the certificate of limited partnership of the surviving limited partnership;

(c) Amendments to the articles of incorporation of the surviving corporation; and

(d) Other provisions relating to the merger.

(4) If the plan of merger does not specify a delayed effective date, it shall become effective upon the filing of articles of merger as provided in RCW 23.95.210. A plan of merger may specify a delayed effective time and date in accordance with RCW 23.95.210. [2015 c 176 § 5106; 1998 c 103 § 905.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.375 Merger—Plan—Approval. (1) Unless otherwise provided in the partnership agreement, approval of a plan of merger by a domestic partnership party to the merger shall occur when the plan is approved by all of the partners.

(2) If a domestic limited partnership is a party to the merger, the plan of merger shall be adopted and approved as provided in RCW 25.10.781.

(3) If a domestic limited liability company is a party to the merger, the plan of merger shall be adopted and approved as provided in RCW 25.15.421.

(4) If a domestic corporation is a party to the merger, the plan of merger shall be adopted and approved as provided in chapter 23B.11 RCW. [2015 c 188 § 113; 2009 c 188 § 1406; 1998 c 103 § 906.]

Effective date—2015 c 188: See RCW 25.15.903.

Effective date—2009 c 188: See note following RCW 23B.11.080.

RCW 25.05.380 Articles of merger—Filing. (1) Except as otherwise provided in subsection (2) of this section, after a plan of merger is approved or adopted, the surviving partnership, limited liability company, limited partnership, or corporation shall deliver to the secretary of state for filing articles of merger setting forth:

(a) The plan of merger;

(b) If the approval of any partners, members, or shareholders of one or more partnerships, limited liability companies, limited partnerships, or corporations party to the merger was not required, a statement to that effect; or

(c) If the approval of any partners, members, or shareholders of one or more of the partnerships, limited liability companies, limited partnerships, or corporations party to the merger was required, a statement that the merger was duly approved by such members, partners, and shareholders pursuant to RCW 25.15.421, RCW 25.05.375, or chapter 23B.11 RCW.

(2) If the merger involves only two or more partnerships and one or more of such partnerships has filed a statement of partnership authority with the secretary of state, the surviving partnership shall file articles of merger as provided in subsection (1) of this section. [2015 c 188 § 114; 1998 c 103 § 907.]

Effective date—2015 c 188: See RCW 25.15.903.

RCW 25.05.385 Effect of merger. (1) When a merger takes effect:

(a) Every other partnership, limited liability company, limited partnership, or corporation that is party to the merger merges into the surviving partnership, limited liability company, limited partnership, or corporation and the separate existence of every partnership, limited liability company, limited partnership, or corporation except the surviving partnership, limited liability company, limited partnership, or corporation ceases;

(b) The title to all real estate and other property owned by each partnership, limited liability company, limited partnership, and corporation party to the merger is vested in the surviving partnership, limited liability company, limited partnership, or corporation without reversion or impairment;

(c) The surviving partnership, limited liability company, limited partnership, or corporation has all liabilities of each partnership,

limited liability company, limited partnership, and corporation that is party to the merger;

(d) A proceeding pending against any partnership, limited liability company, limited partnership, or corporation that is party to the merger may be continued as if the merger did not occur or the surviving partnership, limited liability company, limited partnership, or corporation may be substituted in the proceeding for the partnership, limited liability company, limited partnership, or corporation whose existence ceased;

(e) The certificate of formation of the surviving limited liability company is amended to the extent provided in the plan of merger;

(f) The partnership agreement of the surviving limited partnership is amended to the extent provided in the plan of merger;

(g) The articles of incorporation of the surviving corporation are amended to the extent provided in the plan of merger; and

(h) The former members of every limited liability company party to the merger, the former holders of the partnership interests of every domestic partnership or limited partnership that is party to the merger, and the former holders of the shares of every domestic corporation that is party to the merger are entitled only to the rights provided in the plan of merger, or to their rights under this article, to their rights under RCW 25.10.831 through 25.10.886, or to their rights under chapter 23B.13 RCW.

(2) Unless otherwise agreed, a merger of a domestic partnership, including a domestic partnership which is not the surviving entity in the merger, shall not require the domestic partnership to wind up its affairs under article 8 of this chapter.

(3) Unless otherwise agreed, a merger of a domestic limited partnership, including a domestic limited partnership which is not the surviving entity in the merger, shall not require the domestic limited partnership to wind up its affairs under RCW 25.10.581 or pay its liabilities and distribute its assets under RCW 25.10.621.

(4) Unless otherwise agreed, a merger of a domestic limited liability company, including a domestic limited liability company which is not the surviving entity in the merger, shall not require the domestic limited liability company to wind up its affairs under RCW 25.15.297 or pay its liabilities and distribute its assets under RCW 25.15.305. [2015 c 188 § 115; 2009 c 188 § 1407; 1998 c 103 § 908.]

Effective date—2015 c 188: See RCW 25.15.903.

Effective date—2009 c 188: See note following RCW 23B.11.080.

RCW 25.05.390 Merger—Foreign and domestic. (1) One or more foreign partnerships, foreign limited liability companies, foreign limited partnerships, and foreign corporations may merge with one or more domestic partnerships, domestic limited liability companies, domestic limited partnerships, or domestic corporations if:

(a) The merger is permitted by the law of the jurisdiction under which each foreign partnership was organized, each foreign limited liability company was formed, each foreign limited partnership was organized, and each foreign corporation was incorporated, and each foreign partnership, foreign limited liability company, foreign

limited partnership, and foreign corporation complies with that law in effecting the merger;

(b) The surviving entity complies with RCW 25.05.380;

(c) Each domestic limited liability company complies with RCW 25.15.421;

(d) Each domestic limited partnership complies with RCW 25.10.781; and

(e) Each domestic corporation complies with RCW 23B.11.080.

(2) Upon the merger taking effect, a surviving foreign limited liability company, limited partnership, or corporation may be served with process in accordance with RCW 23.95.450 in a proceeding to enforce any obligation or the rights of dissenting members, partners, or shareholders of each domestic limited liability company, domestic limited partnership, or domestic corporation party to the merger.

[2015 c 188 § 116; 2015 c 176 § 5107; 2009 c 188 § 1408; 1998 c 103 § 909.]

Reviser's note: This section was amended by 2015 c 176 § 5107 and by 2015 c 188 § 116, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2015 c 188: See RCW 25.15.903.

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

Effective date—2009 c 188: See note following RCW 23B.11.080.

RCW 25.05.395 Nonexclusive. This article is not exclusive. Partnerships, limited partnerships, limited liability companies, or corporations may be converted or merged in any other manner provided by law. [1998 c 103 § 910.]

ARTICLE 10 DISSENTERS' RIGHTS

RCW 25.05.420 Definitions. The definitions in this section apply throughout this article, unless the context clearly requires otherwise.

(1) "Partnership" means the domestic partnership in which the dissenter holds or held a partnership interest, or the surviving partnership, limited liability company, limited partnership, or corporation by merger, whether foreign or domestic, of that partnership.

(2) "Dissenter" means a partner who is entitled to dissent from a plan of merger and who exercises that right when and in the manner required by this article.

(3) "Fair value," with respect to a dissenter's partnership interest, means the value of the partner's interest immediately before the effectuation of the merger to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the merger unless exclusion would be inequitable.

(4) "Interest" means interest from the effective date of the merger until the date of payment, at the average rate currently paid by the partnership on its principal bank loans or, if none, at a rate that is fair and equitable under all the circumstances. [1998 c 103 § 1001.]

RCW 25.05.425 Partner—Dissent—Payment of fair value. (1)

Except as provided in RCW 25.05.435 or 25.05.445(2), a partner in a domestic partnership is entitled to dissent from, and obtain payment of the fair value of the partner's interest in a partnership in the event of consummation of a plan of merger to which the partnership is a party as permitted by RCW 25.05.370 or 25.05.390.

(2) A partner entitled to dissent and obtain payment for the partner's interest in a partnership under this article may not challenge the merger creating the partner's entitlement unless the merger fails to comply with the procedural requirements imposed by this title, Title 23B RCW, RCW 25.10.776 through 25.10.796, or 25.15.471, as applicable, or the partnership agreement, or is fraudulent with respect to the partner or the partnership.

(3) The right of a dissenting partner in a partnership to obtain payment of the fair value of the partner's interest in the partnership shall terminate upon the occurrence of any one of the following events:

(a) The proposed merger is abandoned or rescinded;

(b) A court having jurisdiction permanently enjoins or sets aside the merger; or

(c) The partner's demand for payment is withdrawn with the written consent of the partnership. [2015 c 188 § 117; 2009 c 188 § 1409; 1998 c 103 § 1002.]

Effective date—2015 c 188: See RCW 25.15.903.

Effective date—2009 c 188: See note following RCW 23B.11.080.

RCW 25.05.430 Dissenters' rights—Notice—Timing. (1) Not less than ten days prior to the approval of a plan of merger, the partnership must send a written notice to all partners who are entitled to vote on or approve the plan of merger that they may be entitled to assert dissenters' rights under this article. Such notice shall be accompanied by a copy of this article.

(2) The partnership shall notify in writing all partners not entitled to vote on or approve the plan of merger that the plan of merger was approved, and send them the dissenters' notice as required by RCW 25.05.440. [1998 c 103 § 1003.]

RCW 25.05.435 Partner—Dissent—Voting restriction. A partner of a partnership who is entitled to vote on or approve the plan of merger and who wishes to assert dissenters' rights must not vote in favor of or approve the plan of merger. A partner who does not satisfy the requirements of this section is not entitled to payment for the partner's interest in the partnership under this article. [1998 c 103 § 1004.]

RCW 25.05.440 Partners—Dissenters' notice—Requirements. (1) If the plan of merger is approved, the partnership shall deliver a written dissenters' notice to all partners who satisfied the requirements of RCW 25.05.435.

(2) The dissenters' notice required by RCW 25.05.430(2) or by subsection (1) of this section must be sent within ten days after the approval of the plan of merger, and must:

(a) State where the payment demand must be sent;

(b) Inform partners as to the extent transfer of the partner's interest in the partnership will be restricted as permitted by RCW 25.05.450 after the payment demand is received;

(c) Supply a form for demanding payment;

(d) Set a date by which the partnership must receive the payment demand, which date may not be fewer than thirty nor more than sixty days after the date the notice under this section is delivered; and

(e) Be accompanied by a copy of this article. [1998 c 103 § 1005.]

RCW 25.05.445 Partner—Payment demand—Entitlement. (1) A partner who demands payment retains all other rights of a partner in the partnership until the proposed merger becomes effective.

(2) A partner in a partnership sent a dissenters' notice who does not demand payment by the date set in the dissenters' notice is not entitled to payment for the partner's interest in the partnership under this article. [1998 c 103 § 1006.]

RCW 25.05.450 Partners' interests—Transfer restriction. The partnership agreement may restrict the transfer of partners' interests in the partnership from the date the demand for their payment is received until the proposed merger becomes effective or the restriction is released under this article. [1998 c 103 § 1007.]

RCW 25.05.455 Payment of fair value—Requirements for compliance. (1) Within thirty days of the later of the date the proposed merger becomes effective, or the payment demand is received, the partnership shall pay each dissenter who complied with RCW 25.05.445 the amount the partnership estimates to be the fair value of the dissenting partner's interest in the partnership, plus accrued interest.

(2) The payment must be accompanied by:

(a) Copies of the financial statements for the partnership for its most recent fiscal year;

(b) An explanation of how the partnership estimated the fair value of the partner's interest in the partnership;

(c) An explanation of how the accrued interest was calculated;

(d) A statement of the dissenter's right to demand payment; and

(e) A copy of this article. [1998 c 103 § 1008.]

RCW 25.05.460 Merger—Not effective within sixty days—Transfer restrictions. (1) If the proposed merger does not become effective within sixty days after the date set for demanding payment, the

partnership shall release any transfer restrictions imposed as permitted by RCW 25.05.450.

(2) If, after releasing transfer restrictions, the proposed merger becomes effective, the partnership must send a new dissenters' notice as provided in RCW 25.05.430(2) and 25.05.440 and repeat the payment demand procedure. [1998 c 103 § 1009.]

RCW 25.05.465 Dissenter's estimate of fair value—Notice. (1) A dissenting partner may notify the partnership in writing of the dissenter's own estimate of the fair value of the dissenter's interest in the partnership, and amount of interest due, and demand payment of the dissenter's estimate, less any payment under RCW 25.05.460, if:

(a) The dissenter believes that the amount paid is less than the fair value of the dissenter's interest in the partnership, or that the interest due is incorrectly calculated;

(b) The partnership fails to make payment within sixty days after the date set for demanding payment; or

(c) The partnership, having failed to effectuate the proposed merger, does not release the transfer restrictions imposed on the partners' interests as permitted by RCW 25.05.450 within sixty days after the date set for demanding payment.

(2) A dissenter waives the right to demand payment under this section unless the dissenter notifies the partnership of the dissenter's demand in writing under subsection (1) of this section within thirty days after the partnership made payment for the dissenter's interest in the partnership. [1998 c 103 § 1010.]

RCW 25.05.470 Unsettled demand for payment—Proceeding—Parties—Appraisers. (1) If a demand for payment under RCW 25.05.445 remains unsettled, the partnership shall commence a proceeding within sixty days after receiving the payment demand and petition the court to determine the fair value of the dissenting partner's interest in the partnership, and accrued interest. If the partnership does not commence the proceeding within the sixty-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(2) The partnership shall commence the proceeding in the superior court. If the partnership is a domestic partnership, it shall commence the proceeding in the county where its chief executive office is maintained.

(3) The partnership shall make all dissenters, whether or not residents of this state, whose demands remain unsettled parties to the proceeding as in an action against their partnership interests in the partnership and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

(4) The partnership may join as a party to the proceeding any partner who claims to be a dissenter but who has not, in the opinion of the partnership, complied with the provisions of this article. If the court determines that such partner has not complied with the provisions of this article, the partner shall be dismissed as a party.

(5) The jurisdiction of the court in which the proceeding is commenced is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decisions on the question of fair value. The appraisers have the powers described

in the order appointing them or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(6) Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds the fair value of the dissenter's partnership interest in the partnership, plus interest, exceeds the amount paid by the partnership. [1998 c 103 § 1011.]

RCW 25.05.475 Unsettled demand for payment—Costs—Fees and expenses of counsel. (1) The court in a proceeding commenced under RCW 25.05.470 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the partnership, except that the court may assess the costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment.

(2) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(a) Against the partnership and in favor of any or all dissenters if the court finds the partnership did not substantially comply with the requirements of this article; or

(b) Against either the partnership or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this article.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the partnership, the court may award to these counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefited. [1998 c 103 § 1012.]

ARTICLE 11 LIMITED LIABILITY PARTNERSHIP

RCW 25.05.500 Formation—Registration—Application—Registered agent—Fee. (1) A partnership which is not a limited liability partnership on June 11, 1998, may become a limited liability partnership upon the approval of the terms and conditions upon which it becomes a limited liability partnership by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute to the partnership, the vote necessary to amend those provisions, and by delivering to the secretary of state for filing the applications required by subsection (2) of this section. A partnership which is a limited liability partnership on June 11, 1998, continues as a limited liability partnership under this chapter.

(2) (a) To become and to continue as a limited liability partnership, a partnership must deliver to the secretary of state for filing an application stating the name of the partnership; the address

of its principal office; the name and address of a registered agent for service of process in this state which the partnership will be required to continuously maintain in accordance with Article 4 of chapter 23.95 RCW; the number of partners; a brief statement of the business in which the partnership engages; any other matters that the partnership determines to include; and that the partnership thereby applies for status as a limited liability partnership.

(b) A registered agent for service of process under (a) of this subsection may be any person authorized under Article 4 of chapter 23.95 RCW to serve as registered agent.

(3) The application must be accompanied by a fee for each partnership as established by the secretary of state under RCW 23.95.260.

(4) The secretary of state must register as a limited liability partnership any partnership that submits a completed application with the required fee.

(5) A partnership registered under this section must pay an annual fee, in each year following the year in which its application is filed, on a date and in an amount specified by the secretary of state under RCW 23.95.260. The fee must be accompanied by an annual report pursuant to RCW 23.95.255(2).

(6) Registration is effective as specified in RCW 23.95.210, and remains effective until:

(a) It is voluntarily withdrawn by delivering to the secretary of state for filing a written withdrawal notice executed by a majority of the partners or by one or more partners or other persons authorized to execute a withdrawal notice; or

(b) Thirty days after receipt by the partnership of a notice from the secretary of state, which notice must be sent by first-class mail, postage prepaid, that the partnership has failed to make timely payment of the annual fee specified in subsection (5) of this section, unless the fee is paid within such a thirty-day period.

(7) The status of a partnership as a limited liability partnership, and the liability of the partners thereof, is not affected by: (a) Errors in the information stated in an application under subsection (2) of this section or a notice under subsection (6) of this section; or (b) changes after the filing of such an application or notice in the information stated in the application or notice. [2017 c 31 § 5; 2015 c 176 § 5108; 2010 1st sp.s. c 29 § 5; 2009 c 437 § 4; 1998 c 103 § 1101.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

Intent—2010 1st sp.s. c 29: See note following RCW 24.06.450.

RCW 25.05.505 Name. The name of a limited liability partnership must comply with Article 3 of chapter 23.95 RCW. [2015 c 176 § 5109; 1998 c 103 § 1102.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.510 Rendering professional services. (1) A person or group of persons licensed or otherwise legally authorized to render professional services, as defined in RCW 18.100.030, within this state may organize and become a member or members of a limited liability partnership under the provisions of this chapter for the purposes of rendering professional service. Nothing in this section prohibits a person duly licensed or otherwise legally authorized to render professional services in any jurisdiction other than this state from becoming a member of a limited liability partnership organized for the purpose of rendering the same professional services. Nothing in this section prohibits a limited liability partnership from rendering professional services outside this state through individuals who are not duly licensed or otherwise legally authorized to render such professional services within this state.

(2) (a) Notwithstanding any other provision of this chapter, health care professionals who are licensed or certified pursuant to chapters 18.06, 18.225, 18.22, 18.25, 18.29, 18.34, 18.35, 18.36A, 18.50, 18.53, 18.55, 18.64, 18.79, 18.83, 18.89, 18.108, and 18.138 RCW may join and render their individual professional services through one limited liability partnership and are to be considered, for the purpose of forming a limited liability partnership, as rendering the "same specific professional services" or "same professional services" or similar terms.

(b) Notwithstanding any other provision of this chapter, health care professionals who are licensed pursuant to chapters 18.57 and 18.71 RCW may join and render their individual professional services through one limited liability partnership and are to be considered, for the purpose of forming a limited liability partnership, as rendering the "same specific professional services" or "same professional services" or similar terms.

(c) Formation of a limited liability partnership under this subsection does not restrict the application of the uniform disciplinary act under chapter 18.130 RCW, or any applicable health care professional statutes under Title 18 RCW, including but not limited to restrictions on persons practicing a health profession without being appropriately credentialed and persons practicing beyond the scope of their credential. [2001 c 251 § 31; 1998 c 103 § 1103.]

Severability—2001 c 251: See RCW 18.225.900.

RCW 25.05.530 Change of registered agent for service of process. A limited liability partnership may change its registered agent for service of process by delivering to the secretary of state for filing a statement of change in accordance with RCW 23.95.430. [2015 c 176 § 5110; 2009 c 437 § 5.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.533 Resignation of registered agent for service of process. A registered agent for service of process of a limited liability partnership may resign as agent by delivering to the secretary of state for filing a statement of resignation in accordance with RCW 23.95.445. [2015 c 176 § 5111; 2009 c 437 § 6.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.536 Service of process. Service of any process, notice, or demand required or permitted by law to be served upon the limited liability partnership may be made in accordance with RCW 23.95.450. [2015 c 176 § 5112; 2009 c 437 § 7.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

ARTICLE 12
FOREIGN LIMITED LIABILITY PARTNERSHIP

RCW 25.05.550 Foreign limited liability partnership—Effect of registration and governing law. A foreign limited liability partnership that registers to transact business in this state is subject to RCW 23.95.500 relating to the effect of registration and the governing law for registered foreign limited liability partnerships. [2015 c 176 § 5113; 1998 c 103 § 1201.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.555 Registration requirement. Before transacting business in this state, a foreign limited liability partnership must register with the secretary of state in accordance with Article 5 of chapter 23.95 RCW. [2015 c 176 § 5114; 1998 c 103 § 1202.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.560 Failure to register—Penalties—Service of process. A foreign limited liability partnership transacting business in this state without registering with the secretary of state is subject to RCW 23.95.505.

If a foreign limited liability partnership transacts business in this state without a registration as a foreign limited liability partnership, service of process with respect to a right of action arising out of the transaction of business in this state may be made on the foreign limited liability partnership in accordance with RCW 23.95.450. [2015 c 176 § 5115; 2009 c 437 § 12; 1998 c 103 § 1203.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.565 Activities not constituting transacting business. A nonexhaustive list of activities of a foreign limited liability partnership that do not constitute transacting business in this state is provided in RCW 23.95.520. [2015 c 176 § 5116; 1998 c 103 § 1204.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.580 Registered agent—Designation and maintenance. A foreign limited liability partnership shall designate and continuously maintain in this state a registered agent in accordance with Article 4 of chapter 23.95 RCW. [2015 c 176 § 5117; 2009 c 437 § 8.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.583 Change of registered agent for service of process. A foreign limited liability partnership may change its registered agent for service of process by delivering to the secretary of state for filing a statement of change in accordance with RCW 23.95.430. [2015 c 176 § 5118; 2009 c 437 § 9.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.586 Resignation of registered agent. A registered agent of a foreign limited liability partnership may resign as agent by delivering to the secretary of state for filing a statement of resignation in accordance with RCW 23.95.445. [2015 c 176 § 5119; 2009 c 437 § 10.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.589 Service of process. Service of any process, notice, or demand required or permitted by law to be served upon the foreign limited liability partnership may be made in accordance with RCW 23.95.450. [2015 c 176 § 5120; 2009 c 437 § 11.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

ARTICLE 13 MISCELLANEOUS PROVISIONS

RCW 25.05.901 Dates of applicability. (1) Before January 1, 1999, this chapter governs only a partnership formed:

(a) After June 11, 1998, unless that partnership is continuing the business of a dissolved partnership under *RCW 25.04.410; and

(b) Before June 11, 1998, that elects, as provided by subsection (3) of this section, to be governed by this chapter.

(2) Effective January 1, 1999, this chapter governs all partnerships.

(3) Before January 1, 1999, a partnership voluntarily may elect, in the manner provided in its partnership agreement or by law for

amending the partnership agreement, to be governed by this chapter. The provisions of this chapter relating to the liability of the partnership's partners to third parties apply to limit those partners' liability to a third party who had done business with the partnership within one year preceding the partnership's election to be governed by this chapter, only if the third party knows or has received a notification of the partnership's election to be governed by this chapter. [1998 c 103 § 1304.]

***Reviser's note:** RCW 25.04.410 was repealed by 1998 c 103 § 1308, effective January 1, 1999.

RCW 25.05.902 Applicable fees, charges, and penalties.

Partnerships are subject to the applicable fees, charges, and penalties established by the secretary of state under RCW 23.95.260 and 43.07.120. [2015 c 176 § 5121; 1998 c 103 § 1306.]

Effective date—Contingent effective date—2015 c 176: See note following RCW 23.95.100.

RCW 25.05.903 Authority to adopt rules—Secretary of state. The secretary of state shall adopt such rules as are necessary to implement the keeping of records required by this chapter. [1998 c 103 § 1307.]

RCW 25.05.904 Uniformity of application and construction—1998 c 103. This act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this act among states enacting it. [1998 c 103 § 1301.]

RCW 25.05.905 Short title—1998 c 103. This chapter may be cited as the Washington revised uniform partnership act. [1998 c 103 § 1302.]

RCW 25.05.907 Savings clause—1998 c 103. This act does not affect an action or proceeding commenced or right accrued before June 11, 1998. [1998 c 103 § 1305.]