

CHAPTER 192

CORPORATIONS AND ASSOCIATIONS

SENATE BILL 06-187

BY SENATOR(S) Shaffer, and Mitchell;
 also REPRESENTATIVE(S) Witwer, Butcher, Gallegos, Marshall, and McGihon.

AN ACT**CONCERNING TITLE 7 OF THE COLORADO REVISED STATUTES.***Be it enacted by the General Assembly of the State of Colorado:***SECTION 1.** 7-30-101.1, Colorado Revised Statutes, is amended to read:

7-30-101.1. Suspended, defunct, and dissolved nonprofit corporations. Any nonprofit corporation OTHER THAN A NONPROFIT CORPORATION THAT IS GOVERNED BY THE "COLORADO REVISED NONPROFIT CORPORATION ACT", ARTICLES 121 TO 137 OF THIS TITLE, that was suspended, declared defunct, administratively dissolved, or dissolved by operation of law, and the business or affairs of which are continued for nonprofit purposes, with or without knowledge of the suspension, declaration, or dissolution, and the business and affairs of which are not wound up, shall be deemed an unincorporated organization that qualifies as a nonprofit association for purposes of sections 7-30-101.2 and 7-30-106, unless such nonprofit corporation is eligible to reinstate itself, and does reinstate itself, as a nonprofit corporation as provided by law REINSTATED AS PROVIDED IN PART 10 OF ARTICLE 90 OF THIS TITLE.

SECTION 2. 7-56-602 (3), Colorado Revised Statutes, is amended to read:

7-56-602. Merger or consolidation or share or equity capital exchange.
 (3) If a party to the merger, consolidation, or share or equity capital exchange is the owner of real property in the state of Colorado and the merger, consolidation, or share or equity capital exchange would affect the title to the real property, a copy of ~~the articles~~ A STATEMENT of merger, consolidation, or share or equity capital exchange, certified by the secretary of state, shall be filed for record in the office of the county clerk and recorder in the county or counties in which the real property is situated.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 3. 7-56-604 (4), Colorado Revised Statutes, is amended to read:

7-56-604. Merger of parent and subsidiary. (4) If the members of the parent cooperative have the right to vote on the plan of merger, unless the articles, bylaws, or the board requires a greater or lesser vote, the plan of merger, consolidation, or share or equity capital exchange shall be approved by a majority of the members of the parent cooperative present and voting on the plan in person or in any other manner authorized by the cooperative pursuant to section 7-56-305 (1). Upon approval of a plan of merger pursuant to this section, ~~articles~~ A STATEMENT of merger shall be delivered to the secretary of state, for filing pursuant to part 3 of article 90 of this title, and a copy of the ~~articles~~ STATEMENT of merger, certified by the secretary of state, shall be filed for record in each of the counties, if any, in which such filing is required by section 7-56-602 (3).

SECTION 4. 7-56-608, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-56-608. Dissenters' rights - definitions. (10) SECTION 7-90-206 (2) APPLIES TO A CONVERSION IN WHICH THE COOPERATIVE IS THE CONVERTING ENTITY.

SECTION 5. 7-56-705, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-56-705. Effect of dissolution. (4) A DISSOLVED COOPERATIVE MAY DISPOSE OF CLAIMS AGAINST IT PURSUANT TO SECTIONS 7-90-911 AND 7-90-912.

SECTION 6. The introductory portion to 7-56-714 (4) (a), Colorado Revised Statutes, is amended to read:

7-56-714. Grounds for judicial dissolution. (4) (a) If a cooperative has been dissolved by voluntary action taken under sections 7-56-701 to ~~7-56-708~~ 7-56-705:

SECTION 7. 7-56-717 (2), Colorado Revised Statutes, is amended to read:

7-56-717. Decree of dissolution. (2) After entering the decree of dissolution, the court shall direct the winding up and liquidation of the cooperative's business and ~~affairs~~ ACTIVITIES in accordance with section 7-56-705 or 7-56-716 and the giving of notice to the cooperative's registered agent, or to the secretary of state if it has no registered agent, and to claimants in accordance with sections ~~7-56-706 and 7-56-707~~ 7-90-911 AND 7-90-912.

SECTION 8. 7-60-146, Colorado Revised Statutes, is amended to read:

7-60-146. Limitations on distribution from limited liability partnerships. (1) A ~~partner may not receive a distribution from a~~ limited liability partnership OR LIMITED LIABILITY LIMITED PARTNERSHIP SHALL NOT MAKE A DISTRIBUTION TO A GENERAL PARTNER to the extent that, AT THE TIME OF THE DISTRIBUTION, after giving effect to the distribution, all liabilities of the limited liability partnership ~~that are~~ subject to the limitations set forth in section 7-60-115 (2) ~~exceed the fair value of the partnership assets; except that the reasonable compensation to the partners for their participation as employees in the business of the partnership regularly or~~

~~customarily paid to partners or their estates in the normal course of the partnership business shall be exempt from the provisions of this section and of section 7-60-147~~ OR LIMITED LIABILITY LIMITED PARTNERSHIP, OTHER THAN LIABILITIES TO GENERAL PARTNERS ON ACCOUNT OF THEIR PARTNERSHIP INTERESTS AND LIABILITIES FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED TO SPECIFIED PROPERTY OF THE PARTNERSHIP, EXCEED THE FAIR VALUE OF THE ASSETS OF THE PARTNERSHIP; EXCEPT THAT THE FAIR VALUE OF PROPERTY THAT IS SUBJECT TO A LIABILITY FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED SHALL BE INCLUDED IN THE ASSETS OF THE PARTNERSHIP ONLY TO THE EXTENT THAT THE FAIR VALUE OF THAT PROPERTY EXCEEDS THAT LIABILITY. FOR PURPOSES OF THIS SECTION AND SECTIONS 7-62-607 AND 7-62-608, THE TERM "DISTRIBUTION" SHALL NOT INCLUDE PAYMENTS TO THE EXTENT THAT THE PAYMENTS DO NOT EXCEED AMOUNTS EQUAL TO OR CONSTITUTING REASONABLE COMPENSATION FOR PRESENT OR PAST SERVICES OR REASONABLE PAYMENTS MADE IN THE ORDINARY COURSE OF BUSINESS PURSUANT TO A BONA FIDE RETIREMENT PLAN OR OTHER BENEFITS PROGRAM.

(2) A GENERAL PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO KNEW AT THE TIME OF THE DISTRIBUTION THAT SUCH DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL BE LIABLE TO THE PARTNERSHIP FOR THE AMOUNT OF THE DISTRIBUTION. A GENERAL PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO DID NOT KNOW AT THE TIME OF THE DISTRIBUTION THAT THE DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL NOT BE LIABLE FOR THE AMOUNT OF THE DISTRIBUTION. SUBJECT TO SUBSECTION (3) OF THIS SECTION, THIS SUBSECTION (2) SHALL NOT AFFECT ANY OBLIGATION OR LIABILITY OF A GENERAL PARTNER UNDER AN AGREEMENT OR OTHER APPLICABLE LAW FOR THE AMOUNT OF A DISTRIBUTION.

(3) UNLESS OTHERWISE AGREED, A PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION FROM THE PARTNERSHIP SHALL HAVE NO LIABILITY UNDER THIS ARTICLE OR OTHER APPLICABLE LAW FOR THE AMOUNT OF THE DISTRIBUTION AFTER THE EXPIRATION OF THREE YEARS AFTER THE DATE OF THE DISTRIBUTION UNLESS AN ACTION TO RECOVER THE DISTRIBUTION FROM SUCH PARTNER IS COMMENCED PRIOR TO THE EXPIRATION OF THE SAID THREE-YEAR PERIOD AND AN ADJUDICATION OF LIABILITY AGAINST SUCH PARTNER IS MADE IN THE SAID ACTION.

SECTION 9. 7-62-201 (1) (d), Colorado Revised Statutes, is amended to read:

7-62-201. Certificates - contents - filing with secretary of state. (1) In order to form a limited partnership, a certificate of limited partnership shall be delivered to the secretary of state, for filing pursuant to part 3 of article 90 of this title. The certificate of limited partnership shall state:

(d) ~~A statement~~ That there are at least two partners in the partnership, at least one of whom is a limited partner; and

SECTION 10. 7-62-208, Colorado Revised Statutes, is amended to read:

7-62-208. Notice of existence of limited partnership. The fact that a certificate of limited partnership is on file in the records of the secretary of state is notice that the partnership is a limited partnership and is notice of all other facts stated therein that are required to be stated in a certificate of limited partnership by section ~~7-62-201 (1) (a), (1) (b), and (1) (c)~~ 7-62-201 (1).

SECTION 11. 7-64-304, Colorado Revised Statutes, is amended to read:

7-64-304. Statement of denial. A partner or other person named as a partner in a filed statement of partnership authority ~~or in a list maintained by an agent pursuant to section 7-64-303 (2)~~ may deliver to the secretary of state, for filing pursuant to part 3 of article 90 of this title, a statement of denial stating the true 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 section 7-64-303 (3) and (4).

SECTION 12. 7-64-805 (2), Colorado Revised Statutes, is amended to read:

7-64-805. Statement of dissolution. (2) A statement of ~~dissociation~~ DISSOLUTION cancels a filed statement of partnership authority for purposes of section 7-64-303 (3) and is a limitation on authority for purposes of section 7-64-303 (4).

SECTION 13. 7-64-1004, Colorado Revised Statutes, is amended to read:

7-64-1004. Limitations on distributions to general partner. (1) A ~~general partner may not receive a distribution from a~~ limited liability partnership or limited liability limited partnership SHALL NOT MAKE A DISTRIBUTION TO A GENERAL PARTNER to the extent that AT THE TIME OF THE DISTRIBUTION, after giving effect to the distribution, all liabilities of the limited liability partnership or limited liability limited partnership, that are subject to the limitations set forth in section ~~7-64-306~~ exceed the fair value of the partnership assets. ~~This section and sections 7-64-1005, 7-62-607, and 7-62-608 shall not apply to a distribution made as reasonable compensation for current services provided by the general partner to the limited liability partnership or limited liability limited partnership, to the extent that the amount of such payment would be reasonable if paid as compensation for similar services to a nonpartner employee.~~ OTHER THAN LIABILITIES TO GENERAL PARTNERS ON ACCOUNT OF THEIR PARTNERSHIP INTERESTS AND LIABILITIES FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED TO SPECIFIED PROPERTY OF THE PARTNERSHIP, EXCEED THE FAIR VALUE OF THE ASSETS OF THE PARTNERSHIP, EXCEPT THAT THE FAIR VALUE OF PROPERTY THAT IS SUBJECT TO A LIABILITY FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED SHALL BE INCLUDED IN THE ASSETS OF THE PARTNERSHIP ONLY TO THE EXTENT THAT THE FAIR VALUE OF THAT PROPERTY EXCEEDS THAT LIABILITY. FOR PURPOSES OF THIS SECTION AND SECTIONS 7-62-607 AND 7-62-608, THE TERM "DISTRIBUTION" SHALL NOT INCLUDE PAYMENTS TO THE EXTENT THAT THE PAYMENTS DO NOT EXCEED AMOUNTS EQUAL TO OR CONSTITUTING REASONABLE COMPENSATION FOR PRESENT OR PAST SERVICES OR REASONABLE PAYMENTS MADE IN THE ORDINARY COURSE OF BUSINESS PURSUANT TO A BONA FIDE RETIREMENT PLAN OR OTHER BENEFITS PROGRAM.

(2) A GENERAL PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED

LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO KNEW AT THE TIME OF THE DISTRIBUTION THAT THE DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL BE LIABLE TO THE PARTNERSHIP FOR THE AMOUNT OF THE DISTRIBUTION. A GENERAL PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO DID NOT KNOW AT THE TIME OF THE DISTRIBUTION THAT THE DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL NOT BE LIABLE FOR THE AMOUNT OF THE DISTRIBUTION. SUBJECT TO SUBSECTION (3) OF THIS SECTION, THIS SUBSECTION (2) SHALL NOT AFFECT ANY OBLIGATION OR LIABILITY OF A GENERAL PARTNER UNDER AN AGREEMENT OR OTHER APPLICABLE LAW FOR THE AMOUNT OF A DISTRIBUTION.

(3) UNLESS OTHERWISE AGREED, A GENERAL PARTNER IN A LIMITED LIABILITY PARTNERSHIP OR LIMITED LIABILITY LIMITED PARTNERSHIP WHO RECEIVES A DISTRIBUTION FROM THE PARTNERSHIP SHALL HAVE NO LIABILITY UNDER THIS ARTICLE OR OTHER APPLICABLE LAW FOR THE AMOUNT OF THE DISTRIBUTION AFTER THE EXPIRATION OF THREE YEARS FROM THE DATE OF THE DISTRIBUTION UNLESS AN ACTION TO RECOVER THE DISTRIBUTION FROM SUCH PARTNER IS COMMENCED PRIOR TO THE EXPIRATION OF THE SAID THREE-YEAR PERIOD AND AN ADJUDICATION OF LIABILITY AGAINST SUCH PARTNER IS MADE IN THE SAID ACTION.

SECTION 14. 7-71-104 (1), Colorado Revised Statutes, as it will become effective May 30, 2006, is amended to read:

7-71-104. Effect of filing a statement of trade name. (1)(a) A filed statement of trade name shall become effective as provided in section 7-90-304, and, unless the statement of trade name is withdrawn in accordance with section 7-71-106, for reporting entities shall remain effective in perpetuity, subject to the provisions of sections ~~7-90-601.5 and 7-90-601.7~~ PARAGRAPHS (b) AND (c) OF THIS SECTION, and for persons other than reporting entities shall remain effective ONLY through the last day of the twelfth calendar month following the calendar month in which the statement of trade name becomes effective, unless it is renewed in accordance with section 7-71-105.

(b) A FILED STATEMENT OF TRADE NAME OF A DELINQUENT ENTITY SHALL REMAIN EFFECTIVE ONLY THROUGH THE LAST DAY OF THE TWELFTH CALENDAR MONTH FOLLOWING THE CALENDAR MONTH OF THE EFFECTIVE DATE OF DELINQUENCY UNDER SECTION 7-90-902 (2), UNLESS IT IS RENEWED IN ACCORDANCE WITH SECTION 7-71-105; EXCEPT THAT THIS PARAGRAPH (b) SHALL NOT APPLY TO A FILED STATEMENT OF TRADE NAME OF A DELINQUENT ENTITY THAT CURES ITS DELINQUENCY PURSUANT TO SECTION 7-90-904 (1) WHILE SUCH FILED STATEMENT OF TRADE NAME IS EFFECTIVE.

(c) A FILED STATEMENT OF TRADE NAME OF A DISSOLVED REPORTING ENTITY SHALL REMAIN EFFECTIVE ONLY THROUGH THE LAST DAY OF THE TWELFTH CALENDAR MONTH FOLLOWING THE CALENDAR MONTH OF THE EFFECTIVE DATE OF DISSOLUTION OF THE ENTITY, UNLESS IT IS RENEWED IN ACCORDANCE WITH SECTION 7-71-105; EXCEPT THAT THIS PARAGRAPH (c) SHALL NOT APPLY TO A FILED STATEMENT OF TRADE NAME OF A DISSOLVED ENTITY THAT IS REINSTATED WHILE SUCH FILED STATEMENT OF TRADE NAME IS EFFECTIVE.

SECTION 15. 7-71-105 (1) (a) and (1) (c), Colorado Revised Statutes, as they will become effective May 30, 2006, are amended, and the said 7-71-105, as it will become effective May 30, 2006, is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

7-71-105. Renewal of statement of trade name. (1) A person other than a reporting entity having an effective statement of trade name on file in the records of the secretary of state may renew the statement of trade name by delivering to the secretary of state, for filing pursuant to part 3 of article 90 of this title, a statement of trade name renewal at any time during the last three calendar months the statement of trade name is effective. A filed statement of trade name renewal shall extend, by one calendar year, the period during which the statement of trade name to which it relates is effective. A statement of trade name renewal shall state, with respect to the statement of trade name to be renewed:

(a) The true name of the person, OR, IN THE CASE OF A GENERAL PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP, THE TRUE NAME OF AT LEAST ONE GENERAL PARTNER OF THE PARTNERSHIP;

(c) Any change in any statement made in the statement of trade name, or in any previously filed statement related to such statement of trade name, necessary to make ~~the statement of trade name true and~~ ANY STATEMENT MADE PURSUANT OR WITH RESPECT TO SECTION 7-71-103 (1) (c), (1) (e), OR (1) (f) correct as of the date the statement of trade name renewal is delivered for filing; and

(1.5) NO STATEMENT OF TRADE NAME RENEWAL SHALL STATE A DELAYED EFFECTIVE DATE.

SECTION 16. 7-71-107 (1) and (2), Colorado Revised Statutes, as they will become effective May 30, 2006, are amended to read:

7-71-107. Nonprofit entities. (1) A nonprofit entity for which a constituent filed document is in the records of the secretary of state may, but shall not be required to, deliver to the secretary of state, for filing pursuant to part 3 of article 90 of this title, a statement of trade name for any name other than its true name under which the nonprofit entity transacts business or conducts activities, or ~~intends to transact business or conduct~~ CONTEMPLATES TRANSACTING BUSINESS OR CONDUCTING ACTIVITIES, in this state. ~~The provisions of~~ This article, other than section 7-71-102, shall apply to the statement of trade name and any other statement filed in connection therewith and to the trade name.

(2) Any member of a nonprofit entity for which a constituent filed document is not in the records of the secretary of state may, but shall not be required to, deliver to the secretary of state, for filing pursuant to part 3 of article 90 of this title, a statement of trade name for any name other than the true name of all of its members under which the nonprofit entity transacts business or conducts activities, or ~~intends to transact business or conduct activities~~ CONTEMPLATES TRANSACTING BUSINESS OR CONDUCTING ACTIVITIES, in this state. ~~The provisions of~~ This article, other than section 7-71-102, shall apply to any such statement of trade name and any other statement filed in connection therewith and to any trade name stated in any such statement of trade name.

SECTION 17. Article 71 of title 7, Colorado Revised Statutes, as it will become effective May 30, 2006, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

7-71-111. Affidavit or certification recorded before July 1, 1985. ANY AFFIDAVIT OR CERTIFICATION RECORDED PURSUANT TO SECTION 7-71-101 (1) (a) OR (7) PRIOR TO JULY 1, 1985, SHALL CONTINUE TO CONSTITUTE PRIMA FACIE EVIDENCE OF THE FACTS RECITED THEREIN INSOFAR AS THE SAME AFFECT TITLE TO REAL PROPERTY.

7-71-112. Affidavit or certification recorded pursuant to 24-35-301 (1.5), C.R.S. ANY AFFIDAVIT RECORDED PURSUANT TO SECTION 24-35-301 (1.5), C.R.S., PRIOR TO ITS REPEAL, SHALL CONTINUE TO CONSTITUTE PRIMA FACIE EVIDENCE OF THE FACTS RECITED THEREIN INSOFAR AS THE SAME AFFECT TITLE TO REAL PROPERTY.

SECTION 18. 7-80-102 (1), (4), and (8), Colorado Revised Statutes, are amended to read:

7-80-102. Definitions. As used in this article, unless the context otherwise requires:

(1) "Articles of organization" means the articles of organization filed in the records of the secretary of state for the purpose of forming a limited liability company as specified in sections 7-80-203 and 7-80-204. "ARTICLES OF ORGANIZATION" INCLUDES AMENDED ARTICLES OF ORGANIZATION, RESTATED ARTICLES OF ORGANIZATION, STATEMENTS OF MERGER, AND OTHER INSTRUMENTS, HOWEVER DESIGNATED, ON FILE IN THE RECORDS OF THE SECRETARY OF STATE THAT HAVE THE EFFECT OF AMENDING OR SUPPLEMENTING, IN SOME RESPECT, THE ORIGINAL OR AMENDED ARTICLES OF ORGANIZATION.

(4) "Contribution" means anything of value ~~which~~ THAT a person contributes to ~~the~~ A limited liability company as a prerequisite ~~for or in connection with~~ ~~membership~~ TO BECOMING A MEMBER IN THE LIMITED LIABILITY COMPANY OR IN THE CAPACITY OF A MEMBER IN THE LIMITED LIABILITY COMPANY, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.

(8) "Manager" means a person ~~elected or otherwise~~ designated ~~by the members~~ OF AS A MANAGER OF a limited liability company to manage the company pursuant to section 7-80-401. ~~In the case of a limited liability company in which management is reserved to the members,~~ "manager" means any member 7-80-402.

SECTION 19. 7-80-104 (1) (i), (1) (j), and (1) (n), Colorado Revised Statutes, are amended to read:

7-80-104. Powers. (1) Each limited liability company formed and existing under this article may:

(i) ~~Elect~~ HAVE managers and ~~appoint agents of the limited liability company and define their duties and fix their compensation~~ OTHER AGENTS;

~~(j) Make and alter operating agreements, not inconsistent with its articles of organization or with the law of this state, for the administration and regulation of the affairs of the limited liability company~~ BE A PARTY TO THE OPERATING AGREEMENT;

~~(n) Become a member of any other entity~~ BE AN AGENT, AN ASSOCIATE, A FIDUCIARY, A MANAGER, A MEMBER, A PARTNER, A PROMOTER, OR A TRUSTEE OF, OR HOLD ANY SIMILAR POSITION WITH, ANY ENTITY, TRUST, OR ESTATE.

SECTION 20. 7-80-108 (1) and (2), Colorado Revised Statutes, are amended, and the said 7-80-108 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

7-80-108. Effect of operating agreement - nonwaivable provisions.

(1) (a) The operating agreement may contain any provisions for the affairs of the limited liability company and the conduct of its business to the extent such provisions are consistent with law. Except as otherwise provided in subsection (1.5), (2), or (3) of this section, an operating agreement governs the rights, duties, limitations, qualifications, and relations among the managers, the members, the members' assignees and transferees, and the limited liability company. Such provisions shall control over any provision of this article to the contrary except as set forth in ~~subsection (2)~~ SUBSECTIONS (1.5), (2), OR (3) of this section. To the extent the operating agreement does not otherwise provide, this article shall control.

(b) A LIMITED LIABILITY COMPANY IS BOUND BY ANY OPERATING AGREEMENT OF ITS MEMBERS.

(c) AN OPERATING AGREEMENT MAY BE ENTERED INTO BEFORE, AFTER, OR AT THE TIME OF FILING OF ARTICLES OF ORGANIZATION AND, WHETHER ENTERED INTO BEFORE, AFTER, OR AT THE TIME OF SUCH FILING, MAY BE MADE EFFECTIVE AS OF THE FORMATION OF THE LIMITED LIABILITY COMPANY OR AS OF THE TIME OR DATE PROVIDED IN THE OPERATING AGREEMENT.

(1.5) TO THE EXTENT THAT A MEMBER OR MANAGER OR OTHER PERSON THAT IS A PARTY TO, OR IS OTHERWISE BOUND BY, THE OPERATING AGREEMENT HAS DUTIES, INCLUDING, BUT NOT LIMITED TO, FIDUCIARY DUTIES, TO A LIMITED LIABILITY COMPANY OR TO ANOTHER MEMBER, MANAGER, OR OTHER PERSON THAT IS A PARTY TO OR IS OTHERWISE BOUND BY AN OPERATING AGREEMENT, THE DUTIES OF SUCH MEMBER, MANAGER, OR OTHER PERSON MAY BE RESTRICTED OR ELIMINATED BY PROVISIONS IN THE OPERATING AGREEMENT, AS LONG AS ANY SUCH PROVISION IS NOT MANIFESTLY UNREASONABLE.

(2) An operating agreement may not:

(a) ~~Unreasonably reduce the duty of care under section 7-80-404 (2);~~

(b) Unreasonably restrict the rights of members and managers under section 7-80-408;

(c) ~~(f) Except as permitted in subparagraph (H) of this paragraph (c), eliminate any of the duties specified in section 7-80-404 (1), but:~~

~~(A) The operating agreement may identify types or categories of activities that do not violate any of the duties specified in section 7-80-404 (1) (a) or (1) (b) if the types or categories identified are not unreasonable, and~~

~~(B) All of the members or a number or percentage specified in the operating agreement may authorize or ratify, after full disclosure of all material facts, an act or transaction that otherwise would violate any of the duties specified in section 7-80-404 (1) (a) or (1) (b) if the number or percentage is not unreasonable.~~

~~(H) An operating agreement may eliminate or modify, if the elimination or modification is not unreasonable:~~

~~(A) The duties specified in section 7-80-404 (1) (c); and~~

~~(B) The duty specified in section 7-80-404 (1) (a) to account to the limited liability company and hold as trustee for it any property, profit, or benefit derived from the member's appropriation of an opportunity of the limited liability company.~~

~~(d) Eliminate the obligation of good faith and fair dealing under section 7-80-404 (3); except that the operating agreement may prescribe the standards by which the performance of the obligation is to be measured, if such standards are not unreasonable; or~~

~~(d.5) ELIMINATE OR MODIFY THE PROVISIONS OF SECTION 7-80-801 (1) (c) (I), EXCEPT TO EXTEND THE TIME SET FORTH THEREIN TO A TIME NOT LATER THAN THE FIRST ANNIVERSARY OF THE DATE OF THE TERMINATION OF THE MEMBERSHIP OF THE LAST REMAINING MEMBER; OR~~

~~(e) Restrict rights of, or impose duties on, persons other than the members, their assignees and transferees, and the limited liability company without the consent of such persons.~~

~~(2.5) (a) AN OPERATING AGREEMENT MAY CONTAIN ONE OR MORE PROVISIONS CONCERNING THE ENFORCEMENT, INTERPRETATION, CONSTRUCTION, APPLICATION, SEVERABILITY OF PROVISIONS, INTEGRATION, EFFECT OF PAROLE EVIDENCE, AND OTHER MATTERS WITH RESPECT TO THE OPERATING AGREEMENT OR ANY OF ITS PROVISIONS.~~

~~(b) UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT, IF ANY PROVISION OF AN OPERATING AGREEMENT OR APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS UNENFORCEABLE OR OTHERWISE INVALID UNDER SUBSECTIONS (1.5) OR (2) OF THIS SECTION OR OTHERWISE, THE PROVISION SHALL BE LIMITED, CONSTRUED, AND APPLIED IN A MANNER THAT IS VALID AND ENFORCEABLE AND, IN ANY EVENT, THE REMAINING PROVISIONS OF THE OPERATING AGREEMENT SHALL BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.~~

~~(c) UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT WITH RESPECT TO THE UNENFORCEABILITY, INVALIDITY, OR APPLICATION OF ANY PROVISION OF THE OPERATING AGREEMENT UNDER SUBSECTION (1.5) OR (2) OF THIS SECTION, WHEN IT IS CLAIMED OR APPEARS TO THE COURT THAT ANY PROVISION OF THE OPERATING AGREEMENT MAY VIOLATE SUBSECTION (1.5) OR (2) OF THIS SECTION, THE PARTIES~~

SHALL BE AFFORDED A REASONABLE OPPORTUNITY TO PRESENT EVIDENCE AS TO ITS COMMERCIAL SETTING, PURPOSE, AND EFFECT, TO AID THE COURT IN MAKING THE DETERMINATION.

SECTION 21. 7-80-401 (1), Colorado Revised Statutes, is amended, and the said 7-80-401 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

7-80-401. Management of limited liability company. (1) Except as provided in subsection (2) of this section, decisions with respect to a limited liability company shall be made by a majority of the members or, if ~~the articles of organization provide that the limited liability company is to be managed by managers and the limited liability company has one or more managers, by a majority of the managers.~~

(3) A PERSON OR PERSONS WHO WILL BE ADMITTED AS A MEMBER OR MEMBERS PURSUANT TO SECTION 7-80-701 (2) MAY, BY UNANIMOUS CONSENT, AMEND THE OPERATING AGREEMENT TO BE EFFECTIVE IMMEDIATELY BEFORE THE ADMISSION OF THE PERSON OR PERSONS.

SECTION 22. 7-80-402, Colorado Revised Statutes, is amended to read:

7-80-402. Designation of managers. ~~★~~ THE MEMBERS OF A limited liability company, the articles of organization of which provide that ~~it is to be managed by~~ MANAGEMENT OF THE LIMITED LIABILITY COMPANY IS VESTED IN ONE OR MORE managers, may ~~appoint~~ DESIGNATE one or more persons to be managers. A manager who is an individual shall be eighteen years of age or older. Managers may be ~~selected~~ DESIGNATED and removed by the consent of a majority of the members.

SECTION 23. 7-80-403, Colorado Revised Statutes, is amended to read:

7-80-403. Officers and other agents. (1) A limited liability company may ~~appoint~~ HAVE one or more ~~persons to be~~ officers or other agents ~~other than managers,~~ with such TITLES, RIGHTS, duties and ~~designations~~ AUTHORITY as the limited liability company may determine. An OFFICER OR AN agent who is an individual shall be eighteen years of age or older. Except as provided in subsection (2) of this section, OFFICERS AND OTHER agents ~~other than managers~~ may be ~~selected and~~ DESIGNATED OR removed, and their TITLES, RIGHTS, duties and ~~designations~~ AUTHORITY may be established, by the consent of a majority of the members or, if ~~the articles of organization provide that the limited liability company is to be managed by managers and the limited liability company has one or more managers, by a majority of the managers.~~

(2) ~~Agents~~ OFFICERS AND OTHER AGENTS may be given authority to do any act that is not in the ordinary course of the business of the limited liability company only with the consent of all of the members.

SECTION 24. 7-80-404, Colorado Revised Statutes, is amended to read:

7-80-404. Duties of members and managers. (1) In addition to the duties established elsewhere in this article, the duties that ~~a~~ EACH member in a limited liability company in which management is ~~not~~ vested in ~~managers~~ THE MEMBERS

and ~~a~~ THAT EACH manager ~~owe~~ OWES to the limited liability company include the duties to:

(a) Account to the limited liability company and hold as trustee for it any property, profit, or benefit derived by the member or manager in the conduct or winding up of the limited liability company business or derived from a use by the member or manager of property of the limited liability company, including the appropriation of an opportunity of the limited liability company;

(b) Refrain from dealing with the limited liability company in the conduct or winding up of the limited liability company business as or on behalf of a party having an interest adverse to the limited liability company; AND

(c) Refrain from competing with the limited liability company in the conduct of the limited liability company business before the dissolution of the limited liability company. ~~and~~

(d) ~~Comply with the provisions of the operating agreement.~~

(2) ~~A member or~~ EACH MEMBER IN A LIMITED LIABILITY COMPANY, THE ARTICLES OF ORGANIZATION OF WHICH PROVIDE THAT MANAGEMENT IS VESTED IN THE MEMBERS, AND EACH manager owes to the limited liability company a duty of care in the conduct and winding up of the business of the limited liability company, which shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

(3) ~~A member or~~ EACH MEMBER AND EACH manager shall discharge the member's or manager's duties to the limited liability company and exercise any rights consistently with the CONTRACTUAL obligation of good faith and fair dealing.

(4) A member IN A LIMITED LIABILITY COMPANY, THE ARTICLES OF ORGANIZATION OF WHICH PROVIDE THAT MANAGEMENT IS VESTED IN THE MEMBERS, or A manager does not violate a duty or obligation to the limited liability company solely because the member's or manager's conduct furthers the member's or manager's own interest.

(5) A MEMBER OR A MANAGER MAY LEND MONEY TO, AND TRANSACT OTHER BUSINESS WITH, THE LIMITED LIABILITY COMPANY, AND AS TO EACH LOAN OR TRANSACTION THE RIGHTS AND OBLIGATIONS OF THE MEMBER OR MANAGER MAY BE EXERCISED OR PERFORMED IN THE SAME MANNER AS THOSE OF A PERSON WHO IS NOT A MEMBER OR MANAGER, SUBJECT TO OTHER APPLICABLE LAW.

SECTION 25. 7-80-405, Colorado Revised Statutes, is amended to read:

7-80-405. Members and managers as agents of the limited liability company.

(1) If the articles of organization provide that MANAGEMENT OF the limited liability company is ~~to be managed by~~ VESTED IN ONE OR MORE managers:

(a) A member IS NOT AN AGENT OF THE LIMITED LIABILITY COMPANY AND has no authority to bind the limited liability company solely by virtue of being a member; and

(b) ~~At~~ EACH MANAGER IS AN AGENT OF THE LIMITED LIABILITY COMPANY FOR THE PURPOSES OF ITS BUSINESS AND AN act of a manager, including the execution of an instrument in the name of the limited liability company, for apparently carrying on in the ordinary course the business of the limited liability company or business of the kind carried on by the limited liability company binds the limited liability company, unless the manager had no authority to act for the limited liability company in the particular matter and the person with whom the manager was dealing had notice that the manager lacked authority.

(2) If the articles of organization provide that MANAGEMENT OF the limited liability company is ~~to be managed by~~ VESTED IN THE members, EACH MEMBER IS AN AGENT OF THE LIMITED LIABILITY COMPANY FOR THE PURPOSES OF ITS BUSINESS AND an act of a member, including the execution of an instrument in the name of the limited liability company, for apparently carrying on in the ordinary course the business of the limited liability company or business of the kind carried on by the limited liability company binds the limited liability company, unless the member had no authority to act for the limited liability company in the particular matter and the person with whom the member was dealing had notice that the member lacked authority.

SECTION 26. 7-80-407, Colorado Revised Statutes, is amended to read:

7-80-407. Reimbursement and indemnification of members and managers.

A limited liability company shall reimburse a PERSON WHO IS OR WAS A member or manager for payments made, and indemnify a PERSON WHO IS OR WAS A member or manager for liabilities incurred by the ~~member or manager~~ PERSON, in the ordinary ~~conduct~~ COURSE of the business of the limited liability company or for the preservation of its business or property, if such payments were made or liabilities incurred without violation of the ~~member's or manager's~~ PERSON'S duties to the limited liability company.

SECTION 27. 7-80-408 (1) (d) and (3), Colorado Revised Statutes, are amended to read:

7-80-408. Access to and confidentiality of information - records. (1) Each member of a limited liability company has the right, subject to such reasonable standards as may be established by the members or managers pursuant to section 7-80-401 (1), to inspect and copy at the expense of the requesting member the following records of the limited liability company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company:

(d) A copy of the limited liability company's articles of organization and ~~all amendments thereto, and~~ a copy of any written operating agreement of the limited liability company; ~~together with executed copies of any written powers of attorney pursuant to which the operating agreement and any articles of organization and all amendments thereto have been executed;~~

(3) ~~The manager, or, in the case~~ EACH MEMBER of a limited liability company ~~managed by members, the members, of a limited liability company~~ AND EACH MANAGER shall have the right to keep confidential from the members, for such

period of time as the ~~manager or~~ members OR MANAGERS deem reasonable, any information that the ~~manager or~~ members OR MANAGERS reasonably believe to be in the nature of trade secrets or that the limited liability company is required by law or by agreement with a third party to keep confidential.

SECTION 28. 7-80-606, Colorado Revised Statutes, is amended to read:

7-80-606. Limitations on distribution. (1) ~~A member may not receive a distribution from a~~ limited liability company SHALL NOT MAKE A DISTRIBUTION TO A MEMBER to the extent that AT THE TIME OF DISTRIBUTION, after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their ~~membership~~ LIMITED LIABILITY COMPANY interests AND LIABILITIES FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED TO A SPECIFIC PROPERTY OF THE LIMITED LIABILITY COMPANY, ~~would~~ exceed the fair value of the ASSETS OF THE limited liability company; ~~assets~~ EXCEPT THAT THE FAIR VALUE OF PROPERTY THAT IS SUBJECT TO A LIABILITY FOR WHICH THE RECOURSE OF CREDITORS IS LIMITED SHALL BE INCLUDED IN THE ASSETS OF THE LIMITED LIABILITY COMPANY ONLY TO THE EXTENT THAT THE FAIR VALUE OF THAT PROPERTY EXCEEDS THAT LIABILITY. FOR PURPOSES OF THIS SUBSECTION (1), THE TERM "DISTRIBUTION" SHALL NOT INCLUDE PAYMENTS TO THE EXTENT THAT THE PAYMENTS DO NOT EXCEED AMOUNTS EQUAL TO OR CONSTITUTING REASONABLE COMPENSATION FOR PRESENT OR PAST SERVICES OR REASONABLE PAYMENTS MADE IN THE ORDINARY COURSE OF BUSINESS PURSUANT TO A BONA FIDE RETIREMENT PLAN OR OTHER BENEFITS PROGRAM.

(2) A MEMBER WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO KNEW AT THE TIME OF THE DISTRIBUTION THAT THE DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL BE LIABLE TO THE LIMITED LIABILITY COMPANY FOR THE AMOUNT OF THE DISTRIBUTION. A MEMBER WHO RECEIVES A DISTRIBUTION IN VIOLATION OF SUBSECTION (1) OF THIS SECTION, AND WHO DID NOT KNOW AT THE TIME OF THE DISTRIBUTION THAT THE DISTRIBUTION VIOLATED SUBSECTION (1) OF THIS SECTION, SHALL NOT BE LIABLE FOR THE AMOUNT OF THE DISTRIBUTION. SUBJECT TO SUBSECTION (3) OF THIS SECTION, THIS SUBSECTION (2) SHALL NOT AFFECT ANY OBLIGATION OR LIABILITY OF A MEMBER UNDER AN AGREEMENT OR OTHER APPLICABLE LAW FOR THE AMOUNT OF A DISTRIBUTION.

(3) UNLESS OTHERWISE AGREED, A MEMBER WHO RECEIVES A DISTRIBUTION FROM A LIMITED LIABILITY COMPANY SHALL HAVE NO LIABILITY UNDER THIS ARTICLE OR OTHER APPLICABLE LAW FOR THE AMOUNT OF THE DISTRIBUTION AFTER THE EXPIRATION OF THREE YEARS FROM THE DATE OF THE DISTRIBUTION UNLESS AN ACTION TO RECOVER THE DISTRIBUTION FROM SUCH MEMBER IS COMMENCED PRIOR TO THE EXPIRATION OF THE SAID THREE-YEAR PERIOD AND AN ADJUDICATION OF LIABILITY AGAINST SUCH MEMBER IS MADE IN THE SAID ACTION.

SECTION 29. 7-80-701, Colorado Revised Statutes, is amended to read:

7-80-701. Admission of members. (1) After the filing of a limited liability company's original articles of organization, ~~a person~~ ONE OR MORE PERSONS may be admitted as an additional member OR MEMBERS upon the consent of all members.

(2) AT ANY TIME THAT A LIMITED LIABILITY COMPANY HAS NO MEMBERS, UPON THE UNANIMOUS CONSENT OF ALL THE PERSONS HOLDING BY ASSIGNMENT OR TRANSFER ANY OF THE MEMBERSHIP INTEREST OF THE LAST REMAINING MEMBER OF THE LIMITED LIABILITY COMPANY, ONE OR MORE PERSONS, INCLUDING AN ASSIGNEE OR TRANSFEREE OF THE LAST REMAINING MEMBER, MAY BE ADMITTED AS A MEMBER OR MEMBERS.

SECTION 30. 7-80-702, Colorado Revised Statutes, is amended to read:

7-80-702. Interest in limited liability company - transferability of interest.

(1) The interest of each member in a limited liability company constitutes the personal property of the member and may be ASSIGNED OR transferred. ~~or assigned. However, if all of the other members of the limited liability company other than the member proposing to dispose of the member's interest do not approve of the proposed transfer or assignment by consent of all members, the transferee of the member's interest shall have no right to participate in the management of the business and affairs of the limited liability company or to become a member. The transferee~~ UNLESS THE ASSIGNEE OR TRANSFEREE IS ADMITTED AS A MEMBER, THE ASSIGNEE OR TRANSFEREE shall only be entitled to receive the share of profits or other compensation by way of income and the return of contributions to which that member would otherwise be entitled AND SHALL HAVE NO RIGHT TO PARTICIPATE IN THE MANAGEMENT OF THE BUSINESS AND ACTIVITIES OF THE LIMITED LIABILITY COMPANY OR TO BECOME A MEMBER.

(2) ~~A substituted member is a person admitted to all the rights of a member who has died or has assigned such member's interest in a limited liability company with the approval of all the members of the limited liability company. The substituted member has all the rights and powers and is subject to all the restrictions and liabilities of the member's assignor, except that the substitution of the assignee does not release the assignor from liability to the limited liability company under section 7-80-502.~~ A PERSON TO WHOM ALL OF A MEMBER'S MEMBERSHIP INTEREST HAS BEEN ASSIGNED OR TRANSFERRED AND WHO HAS BEEN ADMITTED AS A MEMBER HAS ALL THE RIGHTS AND POWERS AND IS SUBJECT TO ALL THE RESTRICTIONS AND LIABILITIES OF THE ASSIGNOR OR TRANSFEROR WITH RESPECT TO THE PORTION OF THE MEMBERSHIP INTEREST ASSIGNED OR TRANSFERRED. THE ADMISSION OF THE ASSIGNEE OR TRANSFEREE TERMINATES THE ASSIGNOR'S OR TRANSFEROR'S RIGHTS AND POWERS AS A MEMBER WITH RESPECT TO THE PORTION OF THE MEMBERSHIP INTEREST ASSIGNED OR TRANSFERRED AND RELEASES THE ASSIGNOR OR TRANSFEROR FROM LIABILITY TO THE LIMITED LIABILITY COMPANY OTHER THAN FOR LIABILITIES UNDER SECTION 7-80-502 OR 7-90-606.

(3) A PERSON TO WHOM A PORTION OF A MEMBER'S MEMBERSHIP INTEREST HAS BEEN ASSIGNED OR TRANSFERRED AND WHO HAS BEEN ADMITTED AS A MEMBER HAS ALL THE RIGHTS AND POWERS AND IS SUBJECT TO ALL THE RESTRICTIONS AND LIABILITIES OF THE ASSIGNOR OR TRANSFEROR WITH RESPECT TO THE PORTION OF THE MEMBERSHIP INTEREST ASSIGNED OR TRANSFERRED. THE ADMISSION OF THE ASSIGNEE OR TRANSFEREE TERMINATES THE ASSIGNOR'S OR TRANSFEROR'S RIGHTS AND POWERS AS A MEMBER WITH RESPECT TO THE PORTION OF THE MEMBERSHIP INTEREST ASSIGNED OR TRANSFERRED AND RELEASES THE ASSIGNOR OR TRANSFEROR FROM LIABILITY TO THE LIMITED LIABILITY COMPANY WITH RESPECT TO THE PORTION OF THE MEMBERSHIP INTEREST ASSIGNED OR TRANSFERRED OTHER

THAN FOR LIABILITIES UNDER SECTION 7-80-502 OR 7-80-606.

SECTION 31. 7-80-703, Colorado Revised Statutes, is amended to read:

7-80-703. Rights of creditor against a member. On application to a court of competent jurisdiction by any judgment creditor of a member, the court may charge the membership interest of the member with payment of the unsatisfied amount of the judgment with interest thereon and may then or later appoint a receiver of the member's share of the profits and of any other money due or to become due to the member in respect of the limited liability company and make all other orders, directions, accounts, and inquiries ~~which~~ THAT the debtor member might have made, or ~~which~~ THAT the circumstances of the case may require. To the extent so charged, except as provided in this section, the judgment creditor has only the rights of an assignee OR TRANSFEREE of the membership interest. The membership interest charged may be redeemed at any time before foreclosure. If the sale is directed by the court, the membership INTEREST may be purchased without causing a dissolution with separate property by any one or more of the members. With the consent of all members whose membership interests are not being charged or sold, the membership INTEREST may be purchased without causing a dissolution with property of the limited liability company. This article shall not deprive any member of the benefit of any exemption laws applicable to the member's membership interest.

SECTION 32. 7-80-704 (2) and (3), Colorado Revised Statutes, are amended to read:

7-80-704. Deceased or incompetent members who are individuals - dissolved or terminated members who are legal entities. (2) ~~If a member is a corporation, trust, or other entity and~~ MEMBER OTHER THAN AN INDIVIDUAL is dissolved or terminated, the legal representative or successor of the member may exercise all of the powers of an assignee or transferee of the member.

(3) ~~Upon death, incompetency, dissolution, or termination as contemplated in subsection (1) or (2) of this section, the member's interest shall be deemed transferred or assigned for purposes of section 7-80-702.~~

SECTION 33. 7-80-801, Colorado Revised Statutes, is amended to read:

7-80-801. Dissolution - time and notice of dissolution. (1) A limited liability company formed under this article ~~shall be dissolved upon the agreement of all members:~~ IS DISSOLVED:

- (a) UPON THE AGREEMENT OF ALL MEMBERS;
- (b) AT THE TIME OR UPON THE OCCURRENCE OF THE EVENTS STATED IN THE OPERATING AGREEMENT; OR
- (c) AFTER THE LIMITED LIABILITY COMPANY CEASES TO HAVE MEMBERS, ON THE EARLIER OF:
 - (I) THE NINETY-FIRST DAY AFTER THE LIMITED LIABILITY COMPANY CEASES TO

HAVE MEMBERS UNLESS, PRIOR TO THAT DATE, A PERSON HAS BEEN ADMITTED AS A MEMBER; OR

(II) THE DATE ON WHICH A STATEMENT OF DISSOLUTION OF THE LIMITED LIABILITY COMPANY BECOMES EFFECTIVE PURSUANT TO SECTION 7-90-304.

SECTION 34. 7-80-802 (2), Colorado Revised Statutes, is amended, and the said 7-80-802 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

7-80-802. Statement of dissolution. (2) A limited liability company is dissolved ~~upon the effective date of its statement of dissolution~~ AS PROVIDED IN SECTION 7-80-801.

(3) FOR PURPOSES OF SECTIONS 7-80-405 AND 7-80-803.5, A PERSON WHO IS NOT A MANAGER OR MEMBER HAS NOTICE OF THE DISSOLUTION OF A LIMITED LIABILITY COMPANY ON THE EARLIER OF:

(a) THE NINETIETH DAY AFTER THE LIMITED LIABILITY COMPANY'S STATEMENT OF DISSOLUTION IS ON FILE WITH THE SECRETARY OF STATE; OR

(b) THE DATE ON WHICH SUCH PERSON FIRST HAS ACTUAL KNOWLEDGE OF THE DISSOLUTION.

SECTION 35. 7-80-803, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-80-803. Effect of dissolution. (2) A DISSOLVED LIMITED LIABILITY COMPANY MAY DISPOSE OF CLAIMS AGAINST IT PURSUANT TO SECTIONS 7-90-911 AND 7-90-912.

SECTION 36. Part 8 of article 80 of title 7, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

7-80-803.3. Right to wind up business. (1) AFTER DISSOLUTION, THE MANAGER OR, IF THERE IS NO MANAGER, ANY MEMBER MAY WIND UP THE LIMITED LIABILITY COMPANY'S BUSINESS, BUT ON APPLICATION OF ANY MEMBER, MEMBER'S LEGAL REPRESENTATIVE, OR MEMBER'S ASSIGNEE OR TRANSFEREE, THE DISTRICT COURT, FOR GOOD CAUSE SHOWN, MAY ORDER JUDICIAL SUPERVISION OF THE WINDING UP.

(2) THE LEGAL REPRESENTATIVE, ASSIGNEE, OR TRANSFEREE OF THE LAST REMAINING MEMBER MAY WIND UP THE LIMITED LIABILITY COMPANY'S BUSINESS IF THE LIMITED LIABILITY COMPANY DISSOLVES.

(3) A PERSON WINDING UP A LIMITED LIABILITY COMPANY'S BUSINESS MAY PRESERVE THE BUSINESS OR PROPERTY AS A GOING CONCERN FOR A REASONABLE TIME, PROSECUTE AND DEFEND ACTIONS AND PROCEEDINGS, WHETHER CIVIL, CRIMINAL, OR ADMINISTRATIVE, SETTLE DISPUTES, SETTLE AND CLOSE THE LIMITED LIABILITY COMPANY'S BUSINESS, DISPOSE OF AND TRANSFER THE LIMITED LIABILITY COMPANY'S PROPERTY, DISCHARGE OR PROVIDE FOR OBLIGATIONS OF THE LIMITED LIABILITY COMPANY, DISTRIBUTE THE ASSETS OF THE LIMITED LIABILITY COMPANY

PURSUANT TO SECTION 7-80-803 (1) (d), AND PERFORM OTHER NECESSARY ACTS.

7-80-803.5. Manager's or member's power to bind limited liability company after dissolution. (1) SUBJECT TO SECTION 7-80-802 (3), A LIMITED LIABILITY COMPANY IS BOUND BY A MANAGER'S ACT OR, IN THE CASE OF A LIMITED LIABILITY COMPANY, THE ARTICLES OF ORGANIZATION OF WHICH PROVIDE THAT MANAGEMENT IS VESTED IN MEMBERS, A MEMBER'S ACT AFTER DISSOLUTION THAT:

(a) IS APPROPRIATE FOR WINDING UP THE LIMITED LIABILITY COMPANY'S BUSINESS;
OR

(b) WOULD HAVE BOUND THE LIMITED LIABILITY COMPANY UNDER SECTION 7-80-405 BEFORE DISSOLUTION, IF THE OTHER PARTY TO THE TRANSACTION DID NOT HAVE NOTICE OF THE DISSOLUTION.

SECTION 37. 7-80-811 (2), Colorado Revised Statutes, is amended to read:

7-80-811. Procedure for judicial dissolution. (2) It is not necessary to make MANAGERS OR members parties to a judicial proceeding to dissolve a limited liability company unless relief is sought against them individually.

SECTION 38. 7-80-812 (3) (b), Colorado Revised Statutes, is amended to read:

7-80-812. Receivership or custodianship. (3) The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

(b) The custodian, WITH THE AUTHORITY OF A MANAGER OF A LIMITED LIABILITY COMPANY THE ARTICLES OF ORGANIZATION OF WHICH PROVIDE THAT IT IS TO BE MANAGED BY MANAGERS, may exercise all of the powers of the limited liability company, through or in place of its ~~board of directors or officers~~ MANAGERS OR MEMBERS, to the extent necessary to manage the affairs of the limited liability company in the best interests of its members and creditors.

SECTION 39. 7-80-813 (2), Colorado Revised Statutes, is amended to read:

7-80-813. Decree of dissolution. (2) After entering the decree of dissolution, the court shall direct the winding up and liquidation of the limited liability company's business and affairs in accordance with section 7-80-803 and the giving of notice to claimants in accordance with sections ~~7-80-804 and 7-80-805~~ 7-90-911 AND 7-90-912.

SECTION 40. 7-90-102 (8), (10.5), (20.7), (35.6), and (62), Colorado Revised Statutes, are amended, and the said 7-90-102 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

7-90-102. Definitions. As used in this title, except as otherwise defined for the purpose of any section, subpart, part, or article of this title, or unless the context otherwise requires:

(8) "Converting entity" means the entity that converts into ~~another form of~~ A

RESULTING entity pursuant to section 7-90-201.

(10.3) "DELINQUENT ENTITY" MEANS AN ENTITY THAT HAS BEEN DECLARED DELINQUENT PURSUANT TO SECTION 7-90-902 AND THAT HAS NOT CURED ITS DELINQUENCY.

(10.5) "Deliver" includes mail; except that delivery to the secretary of state means actual receipt by the secretary of state. "Deliver" to ~~an entity~~ ANY PERSON by the secretary of state includes delivery or mail to the registered agent address of the ~~entity's~~ PERSON'S registered agent, or to the principal office address of the ~~entity, or to such other address as the entity may have provided to the secretary of state for such purposes~~ PERSON, unless otherwise specified in section 7-90-902 or by an organic statute other than this article. "DELIVER" BY THE SECRETARY OF STATE TO A PERSON THAT HAS NEITHER A PRINCIPAL OFFICE ADDRESS NOR A REGISTERED AGENT ADDRESS INCLUDES DELIVERY TO THE ADDRESS THAT SUCH PERSON MAY HAVE PROVIDED TO THE SECRETARY OF STATE FOR SUCH PURPOSE, UNLESS OTHERWISE SPECIFIED BY AN ORGANIC STATUTE OTHER THAN THIS ARTICLE.

(19.7) "EFFECTIVE DATE OF DISSOLUTION OF AN ENTITY" MEANS WITH RESPECT TO ANY DOMESTIC ENTITY OTHER THAN A GENERAL PARTNERSHIP THAT WAS A REPORTING ENTITY BEFORE DISSOLUTION, THE EARLIER OF THE EFFECTIVE DATE OF THE ENTITY'S ARTICLES OF DISSOLUTION OR STATEMENT OF DISSOLUTION OR THE DATE AS SHOWN BY THE RECORDS OF THE SECRETARY OF STATE ON WHICH THE ENTITY WAS ADMINISTRATIVELY OR JUDICIALLY DISSOLVED.

(20.7) "Filed document" means any document filed by the secretary of state pursuant to this title, WHETHER OR NOT EFFECTIVE.

(35.6) "Mailing address" means, ~~the address in any jurisdiction to which mail can be delivered if addressed to that address and deposited with the United States postal service and includes a postal code if such postal code is required for delivery to that address.~~ WITH RESPECT TO ANY PERSON, A PHYSICAL LOCATION TO WHICH MAIL FOR SUCH PERSON MAY BE DELIVERED, WHICH PHYSICAL LOCATION SHALL BE DESCRIBED BY ITS STREET NAME AND NUMBER OR POST OFFICE BOX NUMBER, CITY, STATE, AND (IF NOT THE UNITED STATES) COUNTRY, AND THE POSTAL CODE, IF ANY, FOR DELIVERY OF MAIL TO THE LOCATION. IF THE PERSON HAS NO POST OFFICE BOX AND, BY REASON OF RURAL LOCATION OR OTHERWISE, A STREET NAME AND NUMBER, CITY, OR TOWN DOES NOT EXIST, "MAILING ADDRESS" SHALL MEAN AN APPROPRIATE DESCRIPTION FIXING AS NEARLY AS POSSIBLE THE ACTUAL PHYSICAL LOCATION TO WHICH MAIL FOR THAT PERSON IS DELIVERED, BUT, FOR ALL LOCATIONS IN THE UNITED STATES, THE COUNTY OR PARISH AND, IF ANY, THE RURAL FREE DELIVERY ROUTE AND THE UNITED STATES POSTAL CODE SHALL BE INCLUDED.

(62) "Street address" means, with respect to a physical location, the street name and number, city, ~~or~~ state, and (if not the United States) country, and ~~either the United States postal code, if any, for the location or (if the location is not in the United States) the postal code, if any, that is required for delivery of mail to the location.~~ If, by reason of rural location or otherwise, a street name and number, city, or town does not exist, ~~another~~ "STREET ADDRESS" SHALL MEAN AN appropriate description fixing as nearly as possible the actual physical location, ~~may be substituted;~~ but, for all locations in the United States, the county or parish and, if

any, the rural free delivery route and the United States postal code shall be included.

SECTION 41. Part 1 of article 90 of title 7, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

7-90-104. Nonapplication of uniform commercial code to owner's interest.

SECTIONS 4-90-406 AND 4-90-408, C.R.S., SHALL NOT APPLY TO AN OWNER'S INTEREST.

SECTION 42. 7-90-201 (2), (4) (b), (4) (c) (III), and (4) (c) (IV), the introductory portion to 7-90-201 (5), and 7-90-201 (5) (b) and (5.5), Colorado Revised Statutes, are amended, and the said 7-90-201 (4) (c) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

7-90-201. Conversion of an entity. (2) A domestic entity may be converted pursuant to this section into any form of foreign entity recognized in the jurisdiction under the law of which the entity will be considered to have been formed after the conversion.

~~(4) (b) If any owner of the converting entity has any liability, solely by reason of being an owner, for the obligations of such entity that is limited before the conversion and such owner will be liable, or will be liable to a greater extent, solely by reason of being an owner, for the obligation of the entity after the conversion, then the terms and conditions of the conversion shall be approved by each owner whose liability would be so changed by the conversion.~~ THE CONVERSION SHALL BE APPROVED:

(I) IF THE RESULTING ENTITY WILL BE A GENERAL PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP OR A LIMITED PARTNERSHIP THAT IS NOT A LIMITED LIABILITY LIMITED PARTNERSHIP, BY EACH OWNER OF THE CONVERTING ENTITY WHO WILL BE A GENERAL PARTNER OF THE RESULTING ENTITY;

(II) BY EACH OWNER OF THE CONVERTING ENTITY WHO WILL HAVE AN OBLIGATION TO MAKE A CONTRIBUTION, NOT INCLUDING AN OBLIGATION TO RETURN A DISTRIBUTION, TO THE RESULTING ENTITY IF THE MAXIMUM AMOUNT OF THE OBLIGATION EXCEEDS ANY OBLIGATION THE OWNER HAD TO MAKE A CONTRIBUTION, NOT INCLUDING AN OBLIGATION TO RETURN A DISTRIBUTION, TO THE CONVERTING ENTITY; AND

(III) BY EACH OWNER OF THE CONVERTING ENTITY WHO WILL HAVE LIABILITY FOR THE OBLIGATIONS OF THE RESULTING ENTITY THAT IS FUNCTIONALLY EQUIVALENT TO THE LIABILITY OF A GENERAL PARTNER FOR THE OBLIGATIONS OF A GENERAL PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP.

(c) (III) If neither the primary constituent documents nor the organic statutes expressly provide for the approval of the conversion, then the terms and conditions of the conversion shall be approved in accordance with ~~the provisions for amendment of the primary constituent documents set forth in the organic statutes and the primary constituent documents~~ THE PROVISIONS OF THE PRIMARY CONSTITUENT DOCUMENTS THAT CONTAIN THE MOST STRINGENT TERMS FOR APPROVAL OF A MERGER.

(III.3) IF THE PRIMARY CONSTITUENT DOCUMENTS DO NOT EXPRESSLY PROVIDE FOR THE APPROVAL OF A MERGER, THEN THE TERMS AND CONDITIONS OF THE CONVERSION SHALL BE APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THE ENTITY'S ORGANIC STATUTES THAT CONTAIN THE MOST STRINGENT TERMS FOR THE APPROVAL OF A MERGER.

(III.7) IF NEITHER THE PRIMARY CONSTITUENT DOCUMENTS NOR THE ENTITY'S ORGANIC STATUTES EXPRESSLY PROVIDE FOR THE APPROVAL OF A MERGER, THEN THE TERMS AND CONDITIONS OF THE CONVERSION SHALL BE APPROVED IN ACCORDANCE WITH THE PROVISIONS FOR AMENDMENT OF THE PRIMARY CONSTITUENT DOCUMENTS SET FORTH IN THE ORGANIC STATUTES AND THE PRIMARY CONSTITUENT DOCUMENTS.

(IV) If neither the primary constituent documents nor the organic statutes expressly provide for the conversion, FOR THE APPROVAL OF A MERGER, or for the approval of an amendment to the primary constituent documents, then the terms and conditions of the conversion shall be approved by all of the owners of the converting entity.

(5) After the terms and conditions of the conversion are approved in accordance with this section, the converting entity shall cause a statement of conversion to be delivered to the secretary of state, for filing pursuant to part 3 of this article, if ~~either~~ the converting entity ~~or the resulting entity~~ has ~~or will have~~ a constituent filed document filed in the records of the secretary of state AND THE RESULTING ENTITY WILL NOT BE AN ENTITY FOR WHICH A CONSTITUENT FILED DOCUMENT WILL BE FILED IN THE RECORDS OF THE SECRETARY OF STATE. The statement of conversion shall state:

(b) The ~~entity~~ TRUE name of the resulting entity, the principal office address of its principal office, the jurisdiction under the law of which it is formed, and its form of entity; and

(5.5) ~~IF~~ AFTER THE TERMS AND CONDITIONS OF THE CONVERSION ARE APPROVED IN ACCORDANCE WITH THIS SECTION, IF the resulting entity will be an entity for which a constituent filed document is to be filed in the records of the secretary of state, the converting entity shall deliver to the secretary of state, for filing pursuant to part 3 of this article, a combined statement of conversion and the constituent filed document that complies with the requirements of the organic statutes. In addition to complying with the requirements of the organic statutes for the constituent filed document, a combined statement of conversion and constituent filed document shall state:

(a) The entity name OR, FOR AN ENTITY THAT HAS NO ENTITY NAME, THE TRUE NAME of the converting entity, the principal office address of its principal office, the jurisdiction under the law of which it is formed, and its form of entity;

(b) The entity name of the resulting entity; and

(c) That the converting entity has been converted into the resulting entity PURSUANT TO THIS SECTION.

SECTION 43. 7-90-201, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-90-201. Conversion of an entity. (5.3) AFTER THE TERMS AND CONDITIONS OF THE CONVERSION ARE APPROVED IN ACCORDANCE WITH THIS SECTION, IF NEITHER THE RESULTING ENTITY NOR THE CONVERTING ENTITY IS OR WILL BE AN ENTITY THAT WILL HAVE A CONSTITUENT FILED DOCUMENT FILED IN THE RECORDS OF THE SECRETARY OF STATE, EITHER THE RESULTING ENTITY OR THE CONVERTING ENTITY MAY DELIVER TO THE SECRETARY OF STATE, FOR FILING PURSUANT TO PART 3 OF THIS ARTICLE, A STATEMENT OF CONVERSION STATING:

(a) THE TRUE NAME OF THE CONVERTING ENTITY, THE PRINCIPAL OFFICE ADDRESS OF ITS PRINCIPAL OFFICE, THE JURISDICTION UNDER THE LAW OF WHICH IT IS FORMED, AND ITS FORM OF ENTITY;

(b) THE TRUE NAME OF THE RESULTING ENTITY, THE PRINCIPAL OFFICE ADDRESS OF ITS PRINCIPAL OFFICE, THE JURISDICTION UNDER THE LAW OF WHICH IT IS FORMED, AND ITS FORM OF ENTITY; AND

(c) A STATEMENT THAT THE CONVERTING ENTITY HAS BEEN CONVERTED INTO THE RESULTING ENTITY PURSUANT TO THIS SECTION.

SECTION 44. 7-90-203 (3) (a), (3) (b), (4) (b), (4) (c) (II) (B), (4) (c) (II) (D), and (5), Colorado Revised Statutes, are amended to read:

7-90-203. Merger of entities. (3) The plan of merger shall state:

(a) The entity name OR, FOR AN ENTITY THAT HAS NO ENTITY NAME, THE TRUE NAME, THE jurisdiction under the law of which the entity is formed, and THE form of entity of each of the merging entities;

(b) The entity name OR, FOR AN ENTITY THAT HAS NO ENTITY NAME, THE TRUE NAME, THE jurisdiction under the law of which the entity is formed, and THE form of the surviving entity into which the merging entities are to merge;

(4) (b) (I) ~~If any owner of a constituent entity has any liability, solely by reason of being an owner, for the obligations of such entity that is limited before the merger and such owner will be liable, solely by reason of being an owner, for the obligations of the surviving entity after the merger or such liability is limited to a lesser extent than before the merger, then the plan of merger shall be approved by each owner whose liability would be so changed by the merger.~~ If THE SURVIVING ENTITY IS A GENERAL PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP OR IS A LIMITED PARTNERSHIP THAT IS NOT A LIMITED LIABILITY LIMITED PARTNERSHIP, THEN THE PLAN OF MERGER MUST BE APPROVED BY EACH OWNER OF A CONSTITUENT ENTITY WHO WILL BE A GENERAL PARTNER OF THE SURVIVING ENTITY IF SUCH OWNER IS AN OWNER OF A CONSTITUENT ENTITY THAT IS A COOPERATIVE, CORPORATION, NONPROFIT CORPORATION, LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, OR LIMITED LIABILITY PARTNERSHIP.

(II) THE PLAN OF MERGER MUST BE APPROVED BY EACH OWNER OF A CONSTITUENT ENTITY WHO WILL HAVE AN OBLIGATION TO MAKE A CONTRIBUTION,

NOT INCLUDING AN OBLIGATION TO RETURN A DISTRIBUTION, TO THE SURVIVING ENTITY IF THE MAXIMUM AMOUNT OF THE OBLIGATION EXCEEDS ANY OBLIGATION THE OWNER HAD TO MAKE A CONTRIBUTION, NOT INCLUDING AN OBLIGATION TO RETURN A DISTRIBUTION, TO THE CONSTITUENT ENTITY.

(III) THE PLAN OF MERGER MUST BE APPROVED BY EACH OWNER OF A CONSTITUENT ENTITY WHO WILL HAVE LIABILITY FOR THE OBLIGATIONS OF THE SURVIVING ENTITY THAT IS FUNCTIONALLY EQUIVALENT TO THE LIABILITY OF A GENERAL PARTNER FOR THE OBLIGATIONS OF A GENERAL PARTNERSHIP THAT IS NOT A LIMITED LIABILITY PARTNERSHIP.

(c) (II) The terms and conditions of the merger shall be approved in accordance with:

(B) If there are no such provisions, the provisions of the primary constituent documents that contain the most stringent terms for approval of ~~any type of~~ A merger; or

(D) If there are no such provisions, the provisions of the entity's organic statutes that contain the most stringent terms for approval of ~~any type of~~ A merger.

(5) After the plan of merger is approved in accordance with this section, if any merging entity is an entity for which a constituent filed document has been filed by the secretary of state, the surviving entity shall deliver to the secretary of state, for filing pursuant to part 3 of this article, a statement of merger that shall state: ~~the following:~~

(a) The entity name OR, FOR AN ENTITY THAT HAS NO ENTITY NAME, THE TRUE NAME of each merging entity, the principal office address of its principal office, the jurisdiction under the law of which it is formed, and its form of entity;

(b) The entity name OR, FOR AN ENTITY THAT HAS NO ENTITY NAME, THE TRUE NAME of the surviving entity, the principal office address of its principal office, the jurisdiction under the law of which it is formed, and its form of entity;

(c) ~~A statement That the~~ EACH merging ~~entities are~~ ENTITY IS merged into the surviving entity; ~~and~~

(d) ~~If~~ THAT, IF the plan of merger provides for amendments to any constituent filed document of the surviving entity, an appropriate statement of change or other document effecting the amendments shall be delivered to the secretary of state, for filing pursuant to part 3 of this article; AND

(e) ANY OTHER MATTERS RELATING TO THE MERGER THE SURVIVING ENTITY DETERMINES TO INCLUDE THEREIN.

SECTION 45. 7-90-204.5 (1) (a) (I), Colorado Revised Statutes, is amended to read:

7-90-204.5. Foreign entity resulting from conversion or surviving merger.
(1) Upon the conversion of a domestic entity into a foreign entity or the merger of

a domestic entity and a foreign entity in which the foreign entity is the surviving entity, the foreign entity:

(a) Shall either:

(1) ~~Maintain~~ APPOINT A REGISTERED AGENT IF THE SURVIVING ENTITY HAS NO REGISTERED AGENT AND MAINTAIN a registered agent pursuant to part 7 of this article, whether or not the foreign entity is otherwise required to do so, to accept service in any proceeding to enforce any obligation or rights of dissenting owners of any domestic entity party to the conversion or merger or in any proceeding based on a cause of action arising with respect to any domestic entity party to the conversion or merger; or

SECTION 46. 7-90-206, Colorado Revised Statutes, is amended to read:

7-90-206. Dissenter's rights, prohibitions, restrictions, and requirements.

(1) To the extent that any organic statute or the common law expressly prohibits or restricts the right of any entity to convert into or merge with any other form of entity, grants dissenter's rights with respect to such merger or conversion, or imposes requirements on such conversion or merger, any merger or conversion of such entity under this article shall be subject to such restriction, entitle its owners to such dissenter's rights, and be subject to such requirements.

(2) IF AN OWNER OF A CONVERTING ENTITY WOULD BE ENTITLED UNDER THE ORGANIC STATUTES TO DISSENTER'S RIGHTS IF THE CONVERTING ENTITY WERE MERGED INTO AN ENTITY OF THE SAME FORM AS THE CONVERTING ENTITY, THEN SUCH OWNER SHALL BE ENTITLED TO DISSENTER'S RIGHTS WITH RESPECT TO THE CONVERSION ON THE SAME BASIS AS THE OWNER WOULD BE SO ENTITLED UNDER THE ORGANIC STATUTES IF THE CONVERTING ENTITY WERE BEING MERGED INTO AN ENTITY OF THE SAME FORM AS THE CONVERTING ENTITY.

SECTION 47. 7-90-302 (1), Colorado Revised Statutes, is amended to read:

7-90-302. Forms and cover sheets - secretary of state to furnish upon request. (1) The secretary of state may prepare and furnish a form or cover sheet, or both, for any document that is subject to this part 3 and may require the use of any such form or cover sheet or both. The form or cover sheet may require the statement of any information the secretary of state deems appropriate to perform the duties of the secretary of state under the law of this state, including information as to the identity of ~~the entity~~ ANY PERSON to which the document relates, THE MAILING ADDRESS OF ANY SUCH PERSON, the registered agent name and registered agent address of the registered agent for ~~the entity~~ ANY SUCH PERSON WHO IS REQUIRED BY THIS ARTICLE TO HAVE A REGISTERED AGENT, and the principal office address of the entity's principal office OF ANY SUCH PERSON WHO HAS A PRINCIPAL OFFICE. A form or cover sheet shall not preclude in any way the inclusion in any document of any item the inclusion of which is not prohibited by the law of this state and shall not require the inclusion of any item the inclusion of which is not required or permitted by this article or any other law of this state.

SECTION 48. 7-90-303 (1) (f), Colorado Revised Statutes, is amended to read:

7-90-303. Filing, service, and copying fees - subpoenas. (1) The secretary of state shall charge and collect fees and other charges, which shall be determined and collected pursuant to section 24-21-104 (3), C.R.S., for:

(f) ~~Filing~~ PROCESSING any document DELIVERED TO THE SECRETARY OF STATE FOR FILING AS required or permitted ~~to be filed~~ under part 3 of article 18 of title 6 or part 10 of article 16 of title 10 or part 3 of article 33.3 of title 38, C.R.S., or this title.

SECTION 49. 7-90-304 (2), Colorado Revised Statutes, is amended to read:

7-90-304. Effective time and date of filed document. (2) A filed document may state a delayed effective time and date, and if it does so the filed document becomes effective at the later of the time and date so stated or the time and date the filed document is filed by the secretary of state, as such time and date ~~is~~ ARE stated in the records of the secretary of state. If a filed document states a delayed effective date but not a time, the filed document is effective at the later of ~~the close of business~~ TWELVE MIDNIGHT on that date or the time and date the filed document is filed by the secretary of state, as such time and date ~~is~~ ARE stated in the records of the secretary of state. If a filed document states a delayed effective date that is later than the ninetieth day after the date the filed document is filed, the filed document is effective TWELVE MIDNIGHT on the ninetieth day after it is filed. A filed document may state the order in which the matters provided for in the filed document are deemed to have occurred. The provisions of this subsection (2) may be limited by other provisions of this title. In the event of conflict between the provisions of this subsection (2) and any other provision of this title, such other provision of this title shall control.

SECTION 50. 7-90-304.5 (1) (a), the introductory portions to 7-90-304.5 (1) (b) and (1) (c), and 7-90-304.5 (1) (d), Colorado Revised Statutes, are amended to read:

7-90-304.5. Restated constituent filed document. (1) Unless the organic statutes expressly provide otherwise:

(a) A domestic entity may restate its constituent filed document at any time by action of its owners or of any other person authorized by the organic statutes to deliver, on behalf of the entity, ~~documents~~ ARTICLES OF RESTATEMENT to the secretary of state, for filing pursuant to this part 3, effecting such restatement.

(b) ~~The~~ ARTICLES OF restatement of ~~the~~ A constituent filed document may include one or more amendments to the constituent filed document if ~~any~~ EACH amendment to the constituent filed document has been approved in the manner provided in the organic statutes. Such an amendment may:

(c) An entity restating its constituent filed document shall deliver to the secretary of state, for filing pursuant to this part 3, ~~a~~ ARTICLES OF restatement stating:

(d) Upon filing of ~~the~~ ARTICLES OF restatement of ~~the~~ A constituent ~~documents~~ FILED DOCUMENT by the secretary of state or at any delayed effective date provided in the ARTICLES OF restatement, determined pursuant to section 7-90-304, the ~~restated~~ constituent filed document AS RESTATED BY THE ARTICLES OF RESTATEMENT supersedes the original constituent filed document and all prior amendments to the

original constituent filed document.

SECTION 51. 7-90-305 (2) (a), Colorado Revised Statutes, is amended to read:

7-90-305. Correcting filed document. (2) A statement of correction:

(a) Shall state the entity name of the entity to which the document relates or, if the entity to which the document relates does not have an entity name, shall state the true name of the entity, or, in the case of a TRADE NAME, SHALL STATE THE TRADE NAME AND THE NAME OF THE PERSON TRANSACTING BUSINESS OR CONDUCTING ACTIVITIES UNDER SUCH NAME, OR, IN THE CASE OF A STATEMENT OF trademark REGISTRATION OR ANY OTHER DOCUMENT RELATING TO A STATEMENT OF TRADEMARK REGISTRATION, shall ~~state the trademark and the true name of the registrant as defined in section 7-70-101 (3)~~ IDENTIFY THE STATEMENT OF TRADEMARK REGISTRATION IN A MANNER SATISFACTORY TO THE SECRETARY OF STATE;

SECTION 52. 7-90-305.5 (2) (a), Colorado Revised Statutes, is amended to read:

7-90-305.5. Statement of change. (2) A filed document is changed by causing to be delivered to the secretary of state, for filing pursuant to this part 3, a statement of change that:

(a) States the entity name of the entity to which the document relates or, if the entity to which the document relates does not have an entity name, states the true name of the entity, or, IN THE CASE OF A TRADE NAME, STATES THE TRADE NAME AND THE NAME OF THE PERSON TRANSACTING BUSINESS OR CONDUCTING ACTIVITIES UNDER SUCH NAME, OR, in the case of a STATEMENT OF trademark ~~states the trademark and the true name of the registrant as defined in section 7-70-101 (3)~~ REGISTRATION OR ANY DOCUMENT RELATING TO A STATEMENT OF TRADEMARK REGISTRATION, IDENTIFIES THE STATEMENT OF TRADEMARK REGISTRATION IN A MANNER SATISFACTORY TO THE SECRETARY OF STATE;

SECTION 53. Part 4 of article 90 of title 7, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

7-90-402. Interrogatories by secretary of state. (1) THE SECRETARY OF STATE MAY PROPOUND TO ANY DOMESTIC ENTITY THAT HAS A CONSTITUENT FILED DOCUMENT FILED IN THE RECORDS OF THE SECRETARY OF STATE, TO ANY FOREIGN ENTITY THAT IS AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT ACTIVITIES IN THIS STATE, AND TO ANY MANAGER THEREOF, SUCH INTERROGATORIES AS MAY BE REASONABLY NECESSARY AND PROPER TO ENABLE THE SECRETARY OF STATE TO ASCERTAIN WHETHER THE ENTITY HAS COMPLIED WITH ALL THE PROVISIONS OF THE ORGANIC STATUTES. THE INTERROGATORIES SHALL BE ANSWERED WITHIN THIRTY DAYS AFTER THE MAILING THEREOF OR WITHIN SUCH ADDITIONAL TIME AS FIXED BY THE SECRETARY OF STATE, AND THE ANSWERS THERETO SHALL BE FULL AND COMPLETE AND SHALL BE MADE IN WRITING. IF THE INTERROGATORIES ARE DIRECTED TO AN INDIVIDUAL, THEY SHALL BE ANSWERED BY THE INDIVIDUAL, AND IF DIRECTED TO AN ENTITY, THEY SHALL BE ANSWERED BY A MANAGER OF THE ENTITY OR BY ANY OTHER PERSON AUTHORIZED TO ANSWER THE INTERROGATORIES

AS ITS AGENT. THE SECRETARY OF STATE NEED NOT FILE ANY DOCUMENT TO WHICH SUCH INTERROGATORIES RELATE UNTIL THE INTERROGATORIES ARE ANSWERED AS PROVIDED IN THIS SECTION, AND NOT THEN IF THE ANSWERS THERETO DISCLOSE THAT THE DOCUMENT IS NOT IN CONFORMITY WITH THE PROVISIONS OF THE ORGANIC STATUTES. THE SECRETARY OF STATE SHALL CERTIFY TO THE ATTORNEY GENERAL, FOR SUCH ACTION AS THE ATTORNEY GENERAL MAY DEEM APPROPRIATE, ALL INTERROGATORIES AND ANSWERS THERETO THAT DISCLOSE A VIOLATION OF ANY OF THE PROVISIONS OF THE ORGANIC STATUTES.

(2) INTERROGATORIES PROPOUNDED BY THE SECRETARY OF STATE AND THE ANSWERS THERETO SHALL NOT BE OPEN TO PUBLIC INSPECTION, NOR SHALL THE SECRETARY OF STATE DISCLOSE ANY FACTS OR INFORMATION OBTAINED THEREFROM, EXCEPT IN SO FAR AS THE OFFICIAL DUTY OF THE SECRETARY OF STATE MAY REQUIRE THE SAME TO BE MADE PUBLIC OR IN THE EVENT SUCH INTERROGATORIES OR THE ANSWERS THERETO ARE REQUIRED FOR EVIDENCE IN ANY CRIMINAL PROCEEDINGS OR IN ANY OTHER ACTION BY THIS STATE.

(3) EACH ENTITY THAT FAILS OR REFUSES TO ANSWER TRUTHFULLY AND FULLY, WITHIN THE TIME PRESCRIBED BY SUBSECTION (1) OF THIS SECTION, INTERROGATORIES PROPOUNDED TO THE ENTITY BY THE SECRETARY OF STATE IN ACCORDANCE WITH THE PROVISIONS OF SAID SUBSECTION (1) IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN FIVE THOUSAND DOLLARS.

(4) EACH MANAGER OF AN ENTITY WHO FAILS OR REFUSES TO ANSWER TRUTHFULLY AND FULLY, WITHIN THE TIME PRESCRIBED BY SUBSECTION (1) OF THIS SECTION, INTERROGATORIES PROPOUNDED TO THE MANAGER BY THE SECRETARY OF STATE IN ACCORDANCE WITH THE PROVISIONS OF SAID SUBSECTION (1) IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN TEN THOUSAND DOLLARS.

(5) THE ATTORNEY GENERAL MAY ENFORCE THIS SECTION IN AN ACTION BROUGHT IN THE DISTRICT COURT FOR THE COUNTY IN THIS STATE IN WHICH THE STREET ADDRESS OF THE ENTITY'S PRINCIPAL OFFICE OR THE STREET ADDRESS OF ITS REGISTERED AGENT IS LOCATED OR, IF THE ENTITY HAS NO PRINCIPAL OFFICE IN THIS STATE AND NO REGISTERED AGENT, IN THE DISTRICT COURT IN AND FOR THE CITY AND COUNTY OF DENVER.

SECTION 54. 7-90-501 (4) (d), (5.5), and (7), Colorado Revised Statutes, are amended to read:

7-90-501. Annual reports. (4) (d) Information in the annual report shall be current as of the date the annual report is delivered to the secretary of state, for filing pursuant to part 3 of this article, on behalf of the reporting entity. NO ANNUAL REPORT SHALL STATE A DELAYED EFFECTIVE DATE.

(5.5) No later than sixty days prior to the due date of a reporting entity's annual report as established pursuant to paragraph (c) of subsection ~~(1)~~ (4) of this section, the secretary of state shall ~~provide~~ DELIVER notice to the reporting entity of such due date at its registered agent address. The failure of the secretary of state to provide such notice shall not affect the requirement that the reporting entity deliver its

annual report pursuant to paragraph (c) of subsection (4) of this section.

(7) Each reporting entity that fails or refuses to deliver to the secretary of state an annual report for filing within the time prescribed by subsection (4) of this section and pay the prescribed PROCESSING fee shall be subject to a ~~processing fee~~ PENALTY, which shall be determined and collected pursuant to section 24-21-104 (3), C.R.S.; except that no such ~~fee~~ PENALTY shall be imposed if the notice required to be furnished by the secretary of state pursuant to subsection (5.5) of this section is not timely delivered to the reporting entity by the secretary of state and such nondelivery causes the failure to file within the time prescribed in subsection (4) of this section.

SECTION 55. The introductory portion to 7-90-601 (5), Colorado Revised Statutes, is amended to read:

7-90-601. Entity name. (5) For an entity that is specifically permitted by C.R.C.P. 265 or title 12, C.R.S., to use the words "professional company", or "professional corporation", OR abbreviations thereof in its name:

SECTION 56. 7-90-601.5, Colorado Revised Statutes, is amended to read:

7-90-601.5. Domestic entity name and trade name of dissolved domestic entity. (1) ~~The~~ IF A DOMESTIC ENTITY THAT HAS A CONSTITUENT FILED DOCUMENT DISSOLVES, THE domestic entity name ~~and each trade name of a domestic entity that has a constituent filed document~~ OF THE DISSOLVED ENTITY shall include the word "dissolved" followed by the year of its dissolution, from the EFFECTIVE date of its dissolution OF THE ENTITY.

(2) If the domestic entity name determined pursuant to ~~the preceding sentence~~ SUBSECTION (1) OF THIS SECTION would not be distinguishable on the records of the secretary of state as contemplated in section 7-90-601, then the domestic entity name shall include the month, day, and year of ~~its dissolution~~ THE EFFECTIVE DATE OF DISSOLUTION OF THE ENTITY rather than only the year of dissolution.

SECTION 57. 7-90-601.6, Colorado Revised Statutes, is amended to read:

7-90-601.6. Entity name of delinquent entity. (1) The entity name ~~and each trade name~~ of a delinquent entity shall include the word "delinquent", followed by the year in which it became delinquent, after the four hundredth day after the effective date of its delinquency under section 7-90-902 (2).

(2) If the entity name determined pursuant to ~~the preceding sentence~~ SUBSECTION (1) OF THIS SECTION would not be distinguishable on the records of the secretary of state as contemplated in section 7-90-601, then the entity name shall include the month, day, and year of the effective date of the entity's delinquency under section 7-90-902 (2) rather than only the year of delinquency.

SECTION 58. 7-90-601.7, Colorado Revised Statutes, is amended to read:

7-90-601.7. Foreign entity name and trade name of withdrawn foreign entity. (1) ~~The foreign entity name and each trade name of a foreign entity for~~

~~which~~ IF A FOREIGN ENTITY HAS a statement of foreign entity authority ~~is~~ on file in the records of the secretary of state, but ~~for which~~ such authority has been relinquished, THE FOREIGN ENTITY NAME OF THE FOREIGN ENTITY shall include the words "Colorado authority relinquished" followed by the year of such relinquishment.

(2) If the foreign entity name determined pursuant to ~~the preceding sentence~~ SUBSECTION (1) OF THIS SECTION would not be distinguishable on the records of the secretary of state as contemplated in section 7-90-601, then the foreign entity name shall include ~~the month, day, and year of the relinquishment~~ THE EFFECTIVE DATE OF THE STATEMENT OF FOREIGN ENTITY WITHDRAWAL BY WHICH THE FOREIGN ENTITY RELINQUISHED ITS AUTHORITY rather than only the year of relinquishment.

SECTION 59. 7-90-602 (1), Colorado Revised Statutes, is amended to read:

7-90-602. Reserved entity name. (1) Any person may apply for the reservation of the exclusive use of a name ~~for the use~~ as an entity name by delivering a statement of reservation of a name to the secretary of state, for filing pursuant to part 3 of this article, stating the name and mailing address of the person, that the person is applying under this section to reserve a name for use as an entity name, and the name proposed to be reserved. If the secretary of state determines that the name applied for would be available for use as an entity name under section 7-90-601, the secretary of state shall reserve the name for the person's exclusive use for a one-hundred-twenty-day period, which reservation may be renewed successively for one-hundred-twenty-day periods. ~~A~~ NO statement of reservation of name ~~may not~~ SHALL state a delayed effective date.

SECTION 60. 7-90-604 (2) (b), (2) (e), and (3) (b), Colorado Revised Statutes, are amended to read:

7-90-604. Registered true name of a foreign entity. (2) A foreign entity may register a true name pursuant to this section by delivering to the secretary of state, for filing pursuant to part 3 of this article, a statement of registration of true name that complies with the requirements of this subsection (2). When filed, the statement of registration of true name registers the true name. The statement of registration of true name shall state:

- (b) The ~~name of the~~ jurisdiction under the law of which it is formed;
- (e) ~~That its true name is registered pursuant to this section.~~

(3) A foreign entity that has in effect a registration of its true name pursuant to this section may renew such registration by delivering to the secretary of state, for filing pursuant to part 3 of this article, on or before December 31 of the year of registration, a statement of renewal of registration of true name that complies with the requirements of this subsection (3). When filed, the statement of renewal of registration renews the registration for the following year. The statement of renewal of registration of true name shall state:

- (b) The ~~name of the~~ jurisdiction under the law of which it is formed; and

SECTION 61. 7-90-803 (1) (b), Colorado Revised Statutes, is amended to read:

7-90-803. Statement of foreign entity authority to transact business or conduct activities. (1) A foreign entity may cause to be delivered to the secretary of state, for filing pursuant to part 3 of this article, a statement of foreign entity authority stating:

(b) The ~~name of the~~ jurisdiction under the law of which it is formed;

SECTION 62. 7-90-806 (1) (b), (1) (d), and (1) (f), Colorado Revised Statutes, are amended to read:

7-90-806. Withdrawal of foreign entity. (1) A foreign entity authorized to transact business or conduct activities in this state may relinquish that authority by causing to be delivered to the secretary of state, for filing pursuant to part 3 of this article, a statement of foreign entity withdrawal stating:

(b) The registered agent name and registered AGENT address of its registered agent or, if a registered agent is no longer to be maintained, a statement that the entity will not maintain a registered agent, and the mailing address to which service of process may be mailed pursuant to section 7-90-807;

(d) The ~~name of the~~ jurisdiction under the law of which it was formed;

(f) That any statement of trade name it has on file in the records of the secretary of state pursuant to article 71 of this title, and any assumed entity name pursuant to section 7-90-603, are withdrawn upon the ~~filing~~ EFFECTIVE DATE of the statement of foreign entity withdrawal.

SECTION 63. 7-90-904 (4) (a), Colorado Revised Statutes, is amended to read:

7-90-904. Cure of delinquency. (4) (a) Except as provided in paragraphs (b) and (c) of this subsection (4), the entity name of an entity following the curing of its delinquency shall be the same as the entity name, determined without regard to section 7-90-601.6, of the entity at the time the entity cures its delinquency if such entity name complies with section 7-90-601 at the time the entity cures its delinquency. If such entity name would not be distinguishable on the records of the secretary of state as contemplated in section 7-90-601, the entity name of the entity following curing of its delinquency shall be such entity name followed by the words "delinquency cured" and the year thereof. ~~Following curing of its delinquency, the entity may change its entity name in accordance with the organic statutes and the entity's constituent operating document.~~

SECTION 64. Part 9 of article 90 of title 7, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPART to read:

SUBPART 3
NOTICE TO CREDITORS BY DISSOLVED ENTITIES -
ENFORCEMENT OF CLAIMS AGAINST DISSOLVED
ENTITIES

7-90-911. Disposition of known claims by notification. (1) A DISSOLVED DOMESTIC ENTITY MAY DISPOSE OF CLAIMS AGAINST IT BY FOLLOWING THE PROCEDURES DESCRIBED IN THIS SECTION.

(2) A DISSOLVED DOMESTIC ENTITY MAY DELIVER WRITTEN NOTICE UNDER THIS SUBSECTION (2) TO ANY PERSON AT ANY TIME ON OR AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE NOTICE CONTEMPLATED IN THIS SUBSECTION (2) SHALL STATE THAT, UNLESS SOONER BARRED BY ANY OTHER STATUTE LIMITING ACTIONS, ANY CLAIM OF THAT PERSON AGAINST THE DISSOLVED DOMESTIC ENTITY WILL BE BARRED IF AN ACTION TO ENFORCE THE CLAIM IS NOT COMMENCED BY A DEADLINE THAT IS STATED IN THE NOTICE, WHICH DEADLINE SHALL NOT BE LESS THAN TWO YEARS AFTER THE DELIVERY OF NOTICE. THE NOTICE MAY CONTAIN SUCH OTHER INFORMATION AS THE DISSOLVED ENTITY DETERMINES TO INCLUDE, INCLUDING INFORMATION REGARDING PROCEDURES FACILITATING THE PROCESSING OF CLAIMS AGAINST THE DISSOLVED ENTITY; EXCEPT THAT NO OBLIGATIONS ON PERSONS HAVING CLAIMS AGAINST THE DISSOLVED ENTITY SHALL BE IMPOSED OR IMPLIED THAT DO NOT EXIST AT LAW.

(3) UNLESS SOONER BARRED BY ANY OTHER STATUTE LIMITING ACTIONS, A PERSON'S CLAIM AGAINST THE DISSOLVED DOMESTIC ENTITY IS BARRED IF THE DISSOLVED ENTITY DELIVERS A NOTICE OF DISSOLUTION AS CONTEMPLATED BY SUBSECTION (2) OF THIS SECTION AND AN ACTION TO ENFORCE THE CLAIM IS NOT COMMENCED BY THE DEADLINE STATED IN THE NOTICE.

(4) (a) FOR PURPOSES OF THIS SECTION, "CLAIM" DOES NOT INCLUDE A CONTINGENT LIABILITY OR A CLAIM BASED ON AN EVENT OCCURRING AFTER THE EFFECTIVE DATE OF DISSOLUTION. FOR PURPOSES OF THIS SECTION, AN ACTION TO ENFORCE A CLAIM INCLUDES AN ARBITRATION UNDER ANY AGREEMENT FOR BINDING ARBITRATION BETWEEN THE DISSOLVED DOMESTIC ENTITY AND THE PERSON MAKING THE CLAIM AND INCLUDES A CIVIL ACTION.

(b) FOR PURPOSES OF THIS SECTION AND SECTIONS 7-90-912 AND 7-90-913, "DISSOLVED DOMESTIC ENTITY" MEANS A DISSOLVED DOMESTIC COOPERATIVE OTHER THAN A DOMESTIC COOPERATIVE FORMED UNDER ARTICLE 55 OF THIS TITLE, A DISSOLVED DOMESTIC CORPORATION, A DISSOLVED DOMESTIC LIMITED LIABILITY COMPANY, OR A DISSOLVED DOMESTIC NONPROFIT CORPORATION.

7-90-912. Disposition of claims by publication. (1) A DISSOLVED DOMESTIC ENTITY MAY PUBLISH NOTICE OF ITS DISSOLUTION AND REQUEST THAT PERSONS WITH CLAIMS AGAINST THE DISSOLVED DOMESTIC ENTITY PRESENT THEM IN ACCORDANCE WITH THE NOTICE.

(2) THE NOTICE CONTEMPLATED IN SUBSECTION (1) OF THIS SECTION SHALL:

(a) BE PUBLISHED ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN THIS STATE IN WHICH THE STREET ADDRESS OF THE DISSOLVED DOMESTIC ENTITY'S PRINCIPAL OFFICE IS OR WAS LAST LOCATED OR, IF THE DISSOLVED DOMESTIC ENTITY HAS NOT HAD A PRINCIPAL OFFICE IN THIS STATE, IN THE COUNTY IN WHICH THE STREET ADDRESS OF ITS REGISTERED AGENT IS OR WAS LAST LOCATED; AND

(b) STATE THAT, UNLESS SOONER BARRED BY ANY OTHER STATUTE LIMITING ACTIONS, ANY CLAIM AGAINST THE DISSOLVED ENTITY WILL BE BARRED IF AN ACTION TO ENFORCE THE CLAIM IS NOT COMMENCED WITHIN FIVE YEARS AFTER THE PUBLICATION OF THE NOTICE OR WITHIN FOUR MONTHS AFTER THE CLAIM ARISES, WHICHEVER IS LATER. THE NOTICE MAY CONTAIN SUCH OTHER INFORMATION AS THE DISSOLVED ENTITY DETERMINES TO INCLUDE, INCLUDING INFORMATION REGARDING PROCEDURES FACILITATING THE PROCESSING OF CLAIMS AGAINST THE DISSOLVED ENTITY; EXCEPT THAT NO OBLIGATIONS ON PERSONS HAVING CLAIMS AGAINST THE DISSOLVED ENTITY SHALL BE IMPOSED OR IMPLIED THAT DO NOT EXIST AT LAW.

(3) IF THE DISSOLVED DOMESTIC ENTITY PUBLISHES A NOTICE IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION, THEN, UNLESS SOONER BARRED UNDER SECTION 7-90-911 OR UNDER ANY OTHER STATUTE LIMITING ACTIONS, THE CLAIM OF ANY PERSON AGAINST THE DISSOLVED DOMESTIC ENTITY IS BARRED UNLESS THE PERSON COMMENCES AN ACTION TO ENFORCE THE CLAIM WITHIN FIVE YEARS AFTER THE PUBLICATION DATE OF THE NOTICE OR WITHIN FOUR MONTHS AFTER THE CLAIM ARISES, WHICHEVER IS LATER.

(4) FOR PURPOSES OF THIS SECTION AND EXCEPT WHERE REQUIRED TO BE DISPOSED OF UNDER SECTION 7-90-911, "CLAIM" MEANS ANY CLAIM, EXCLUDING CLAIMS OF THIS STATE, WHETHER KNOWN, DUE OR TO BECOME DUE, ABSOLUTE OR CONTINGENT, LIQUIDATED OR UNLIQUIDATED, FOUNDED ON CONTRACT, TORT, OR OTHER LEGAL BASIS, OR OTHERWISE. FOR PURPOSES OF THIS SECTION, AN ACTION TO ENFORCE A CLAIM INCLUDES AN ARBITRATION UNDER ANY AGREEMENT FOR BINDING ARBITRATION BETWEEN THE DISSOLVED DOMESTIC ENTITY AND THE PERSON MAKING THE CLAIM AND INCLUDES A CIVIL ACTION.

(5) THIS SECTION SHALL NOT APPLY TO A CLAIM WITH RESPECT TO WHICH NOTICE HAS BEEN DELIVERED BY A DISSOLVED DOMESTIC ENTITY UNDER SECTION 7-90-911.

7-90-913. Enforcement of claims against a dissolved domestic entity. (1) A CLAIM MAY BE ENFORCED UNDER SECTION 7-90-911 OR 7-90-912:

(a) AGAINST THE DISSOLVED DOMESTIC ENTITY TO THE EXTENT OF ITS UNDISTRIBUTED ASSETS; AND

(b) IF ASSETS HAVE BEEN DISTRIBUTED IN LIQUIDATION, AGAINST AN OWNER OF THE DISSOLVED DOMESTIC ENTITY; EXCEPT THAT AN OWNER'S TOTAL LIABILITY FOR ALL CLAIMS UNDER THIS SECTION SHALL NOT EXCEED THE TOTAL VALUE OF ASSETS DISTRIBUTED TO THE OWNER, AS SUCH VALUE IS DETERMINED AT THE TIME OF DISTRIBUTION. ANY OWNER REQUIRED TO RETURN ANY PORTION OF THE VALUE OF ASSETS RECEIVED BY THE OWNER IN LIQUIDATION SHALL BE ENTITLED TO CONTRIBUTION FROM ALL OTHER OWNERS. EACH SUCH CONTRIBUTION SHALL BE IN ACCORDANCE WITH THE CONTRIBUTING OWNER'S RIGHTS AND INTERESTS AND SHALL NOT EXCEED THE VALUE OF THE ASSETS RECEIVED BY THE CONTRIBUTING OWNER IN LIQUIDATION.

SECTION 65. 7-90-1003 (1) (e), Colorado Revised Statutes, is amended, and the said 7-90-1003 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

7-90-1003. Articles of reinstatement. (1) In order to reinstate an entity under this part 10, articles of reinstatement shall be delivered to the secretary of state, for filing pursuant to part 3 of this article stating:

(a.5) THE DOMESTIC ENTITY NAME OF THE ENTITY FOLLOWING REINSTATEMENT, WHICH ENTITY NAME SHALL COMPLY WITH SECTION 7-90-1004;

~~(e) That following reinstatement the domestic entity name of the domestic entity shall comply with section 7-90-1004;~~

SECTION 66. 7-90-1004, Colorado Revised Statutes, is amended to read:

7-90-1004. Entity name upon reinstatement. The domestic entity name of a domestic entity following reinstatement shall be the domestic entity name, determined without regard to section 7-90-601.5, of the domestic entity at the time of reinstatement if such domestic entity name complies with section 7-90-601 at the time of reinstatement. If that domestic entity name does not comply with section 7-90-601, the domestic entity name of the domestic entity following reinstatement shall be that domestic entity name followed by the word "reinstated" and the year of reinstatement. ~~Following reinstatement, the entity may amend its domestic entity name in accordance with the organic statutes and the entity's constituent operating document.~~

SECTION 67. 7-101-401 (3), Colorado Revised Statutes, is amended to read:

7-101-401. General definitions. As used in articles 101 to 117 of this title, unless the context otherwise requires:

(3) "Articles of incorporation" includes amended articles of incorporation, restated articles of incorporation, ~~articles of merger,~~ and other instruments, however designated, on file in the records of the secretary of state, which have the effect of amending or supplementing in some respect the original or amended articles of incorporation.

SECTION 68. 7-102-102 (2) (a), Colorado Revised Statutes, is amended to read:

7-102-102. Articles of incorporation. (2) The articles of incorporation may but need not state:

(a) The ~~true~~ names and ~~mailing~~ addresses of the individuals who are elected to serve as the initial directors;

SECTION 69. 7-103-101 (5), Colorado Revised Statutes, is amended to read:

7-103-101. Purposes and applicability. (5) Articles 101 to 117 of this title shall apply to corporations of every class, whether or not included in the term "corporation" as defined in section 7-101-401 (11), that are formed or incorporated under and governed by other statutes of this state, to the extent that said articles are not inconsistent with such other statutes. Notwithstanding the foregoing, EXCEPT AS PERMITTED BY SECTION 7-123-101 (8), articles 101 to 117 of this title shall not apply to nonprofit corporations:

(a) FORMED UNDER ARTICLES 121 TO 137 OF THIS TITLE;

(b) Governed by articles 121 to 137 of this title PURSUANT TO SECTION 7-137-101 (2); OR

(c) GOVERNED BY ARTICLES 121 TO 137 OF THIS TITLE BY REASON OF AN ELECTION PURSUANT TO SECTION 7-137-201.

SECTION 70. 7-106-101 (1), Colorado Revised Statutes, is amended to read:

7-106-101. Authorized shares. (1) The articles of incorporation shall ~~prescribe~~ STATE the classes of shares and the number of shares of each class that the corporation is authorized to issue. If more than one class of shares is authorized, the articles of incorporation shall ~~prescribe~~ STATE a distinguishing designation for each class, and, before the issuance of shares of any class, the preferences, limitations, and relative rights of that class shall be ~~described~~ STATED in the articles of incorporation. All shares of a class shall have preferences, limitations, and relative rights identical with those of other shares of the same class except to the extent otherwise permitted by section 7-106-102.

SECTION 71. 7-108-401, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-108-401. General standards of conduct for directors and officers. (5) A DIRECTOR OR OFFICER OF A CORPORATION, IN THE PERFORMANCE OF DUTIES IN THAT CAPACITY, SHALL NOT HAVE ANY FIDUCIARY DUTY TO ANY CREDITOR OF THE CORPORATION ARISING ONLY FROM THE STATUS AS A CREDITOR.

SECTION 72. 7-111-103 (9), Colorado Revised Statutes, is amended to read:

7-111-103. Action on plan. (9) After a plan of merger or share exchange is authorized, and at any time before the merger or share exchange becomes effective, the merger or share exchange may be abandoned, subject to any contractual rights, without further shareholder action, in accordance with the procedure stated in the plan of merger or share exchange or, if none is stated, in the manner determined by the board of directors. If a merger or share exchange is abandoned after ~~articles~~ A STATEMENT of merger or share exchange ~~have~~ HAS been filed by the secretary of state pursuant to SECTION 7-111-104.5 OR ~~section~~ 7-111-105 stating a delayed effective date, the merger or share exchange may be prevented from becoming effective by delivering to the secretary of state, for filing pursuant to part 3 of article 90 of this title, before the date the merger or share exchange becomes effective pursuant to section 7-90-304, a statement of change that states that, by appropriate corporate action, the merger or share exchange has been abandoned.

SECTION 73. 7-111-105 (1)(b), Colorado Revised Statutes, is amended to read:

7-111-105. Statement of share exchange. (1) After a plan of share exchange is approved by the shareholders, the acquiring corporation shall deliver to the secretary of state, for filing pursuant to part 3 of article 90 of this title, a statement of share exchange stating:

(b) The entity name of the acquiring corporation, and the principal OFFICE address of its principal office; and

SECTION 74. 7-113-102 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

7-113-102. Right to dissent. (1) A shareholder, whether or not entitled to vote, is entitled to dissent and obtain payment of the fair value of the shareholder's shares in the event of any of the following corporate actions:

(e) CONSUMMATION OF A CONVERSION IN WHICH THE CORPORATION IS THE CONVERTING ENTITY AS PROVIDED IN SECTION 7-90-206 (2).

SECTION 75. 7-114-105, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-114-105. Effect of dissolution. (3) A DISSOLVED CORPORATION MAY DISPOSE OF CLAIMS AGAINST IT PURSUANT TO SECTIONS 7-90-911 AND 7-90-912.

SECTION 76. 7-114-304 (2), Colorado Revised Statutes, is amended to read:

7-114-304. Decree of dissolution. (2) After entering the decree of dissolution, the court shall direct the winding up and liquidation of the corporation's business and affairs in accordance with section 7-114-105 and the giving of notice to claimants in accordance with sections ~~7-114-106 and 7-114-107~~ 7-90-911 AND 7-90-912.

SECTION 77. The introductory portion to 7-121-401 (2), Colorado Revised Statutes, is amended to read:

7-121-401. General definitions. As used in articles 121 to 137 of this title, unless the context otherwise requires:

(2) "Articles of incorporation" includes amended articles of incorporation, restated articles of incorporation, ~~articles of merger,~~ and other instruments, however designated, on file in the records of the secretary of state that have the effect of amending or supplementing in some respect the original or amended articles of incorporation, and shall also include:

SECTION 78. 7-121-401, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-121-401. General definitions. As used in articles 121 to 137 of this title, unless the context otherwise requires:

(25.5) "MUTUAL DITCH COMPANY" MEANS A NONPROFIT CORPORATION THAT COMPLIES WITH ARTICLE 42 OF THIS TITLE.

SECTION 79. 7-122-102 (2) (a), Colorado Revised Statutes, is amended to read:

7-122-102. Articles of incorporation. (2) The articles of incorporation may but

need not state:

(a) The ~~true~~ names and ~~mailing~~ addresses of the individuals who are elected to serve as the initial directors;

SECTION 80. 7-123-101, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-123-101. Purposes and applicability. (8) A MUTUAL DITCH COMPANY MAY ELECT BY A STATEMENT IN ITS ARTICLES OF INCORPORATION THAT THE PROVISIONS OF THE "COLORADO BUSINESS CORPORATION ACT", ARTICLES 101 TO 117 OF THIS TITLE, RELATING TO SHARES AND SHAREHOLDERS, INCLUDING ARTICLES 107, 110, 111, 113, AND 116 OF THIS TITLE, APPLY TO THE SHARES AND SHAREHOLDERS OF THE MUTUAL DITCH COMPANY IN LIEU OF THE PROVISIONS OF ARTICLES 127, 130, 131, 133, AND 136 OF THIS TITLE.

SECTION 81. 7-128-401, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

7-128-401. General standards of conduct for directors and officers. (5) A DIRECTOR OR OFFICER OF A NONPROFIT CORPORATION, IN THE PERFORMANCE OF DUTIES IN THAT CAPACITY, SHALL NOT HAVE ANY FIDUCIARY DUTY TO ANY CREDITOR OF THE NONPROFIT CORPORATION ARISING ONLY FROM THE STATUS AS A CREDITOR.

(6) NO PERSON SHALL BE LIABLE IN CONTRACT OR TORT MERELY BY REASON OF BEING A DIRECTOR, OFFICER, OR MEMBER OF A NONPROFIT CORPORATION THAT WAS SUSPENDED, DECLARED DEFUNCT, ADMINISTRATIVELY DISSOLVED, OR DISSOLVED BY OPERATION OF LAW, AND THE BUSINESS OR ACTIVITIES OF WHICH HAVE BEEN CONTINUED FOR NONPROFIT PURPOSES, WITH OR WITHOUT KNOWLEDGE OF THE SUSPENSION, DECLARATION, OR DISSOLUTION, AND THE BUSINESS AND ACTIVITIES OF WHICH HAVE NOT BEEN WOUND UP.

SECTION 82. 7-131-105 (2), (3), and (4), Colorado Revised Statutes, are amended to read:

7-131-105. Merger with foreign nonprofit corporation. (2) Upon the merger taking effect, the surviving foreign nonprofit corporation of a merger SHALL COMPLY WITH SECTION 7-90-204.5.

~~(a) Shall either:~~

~~(f) Maintain a registered agent pursuant to part 7 of article 90 of this title, whether or not the foreign nonprofit corporation is otherwise subject to that part, to accept service in any proceeding based on a cause of action arising with respect to any domestic nonprofit corporation that is merged into the foreign nonprofit corporation; or~~

~~(H) Be deemed to have authorized service of process on it in connection with any such proceeding by registered or certified mail, return receipt requested, to the address of its principal office as stated in the articles of merger or as last changed~~

in a statement of change filed by the secretary of state;

~~(b) Shall comply with part 8 of article 90 of this title if it is to conduct activities in this state.~~

(3) Service effected pursuant to subparagraph (H) of paragraph (a) of subsection (2) of this section is perfected at the earliest of:

~~(a) The date the foreign nonprofit corporation receives the process, notice, or demand;~~

~~(b) The date shown on the return receipt, if signed on behalf of the foreign nonprofit corporation; or~~

~~(c) Five days after mailing.~~

~~(4) Subsection (2) of this section does not prescribe the only means, or necessarily the required means, of serving a surviving foreign nonprofit corporation of a merger.~~

SECTION 83. 7-134-105, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

7-134-105. Effect of dissolution. (5) A DISSOLVED NONPROFIT CORPORATION MAY DISPOSE OF CLAIMS AGAINST IT PURSUANT TO SECTIONS 7-90-911 AND 7-90-912.

SECTION 84. 7-134-304 (2), Colorado Revised Statutes, is amended to read:

7-134-304. Decree of dissolution. (2) After entering the decree of dissolution, the court shall direct the winding up and liquidation of the nonprofit corporation's ~~affairs~~ ACTIVITIES in accordance with section 7-134-105 and the giving of notice to claimants in accordance with sections ~~7-134-106 and 7-134-107~~ 7-90-911 AND 7-90-912.

SECTION 85. 7-137-101 (1) (b), Colorado Revised Statutes, is amended, and the said 7-137-101 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

7-137-101. Application to existing corporations. (1) (b) A corporate entity that was either incorporated under or elected to accept articles 20 to 29 of this title and that was suspended or, as a consequence of such suspension, dissolved by operation of law before July 1, 1998, and was eligible for reinstatement or restoration, renewal, and revival on June 30, 1998, shall be deemed to be in existence on that date for purposes of this subsection (1) and shall be deemed administratively dissolved on the date of such suspension for purposes of ~~sections~~ SECTION 7-134-105. ~~and 7-134-205.~~

(c) A CORPORATE ENTITY THAT WAS EITHER INCORPORATED UNDER OR ELECTED TO ACCEPT ARTICLES 20 TO 29 OF THIS TITLE AND THAT WAS SUSPENDED OR, AS A CONSEQUENCE OF SUCH SUSPENSION, DISSOLVED BY OPERATION OF LAW BEFORE

JULY 1, 1998, AND WAS NOT ELIGIBLE FOR REINSTATEMENT OR RESTORATION, RENEWAL, AND REVIVAL ON JUNE 30, 1998, SHALL BE TREATED AS A DOMESTIC ENTITY AS TO WHICH A CONSTITUENT FILED DOCUMENT HAS BEEN FILED BY, OR PLACED IN THE RECORDS OF, THE SECRETARY OF STATE AND THAT HAS BEEN DISSOLVED FOR PURPOSES OF SECTION 7-90-1001.

SECTION 86. 7-137-102 (4), Colorado Revised Statutes, is amended to read:

7-137-102. Pre-1968 corporate entities - failure to file reports and designate registered agents - dissolution. (4) Any corporate entity formed prior to January 1, 1968, that could elect to be governed by articles 20 to 29 of this title, that was suspended or was declared defunct, but not dissolved by operation of law under section 7-20-105 before July 1, 1998, and that was eligible for reinstatement on June 30, 1998, shall be deemed administratively dissolved on the date of such suspension for purposes of ~~sections~~ SECTION 7-134-105 and ~~7-134-205~~ and may reinstate itself as a nonprofit corporation as provided in part 10 of article 90 of this title.

SECTION 87. Repeal. 7-56-706, 7-56-707, 7-56-708, 7-60-147, 7-64-1005, 7-80-406, 7-80-607, 7-80-804, 7-80-805, 7-80-806, 7-114-106, 7-114-107, 7-114-108, 7-116-109, 7-131-103 (3), 7-134-106, 7-134-107, 7-134-108, 7-134-205, and 7-136-109, Colorado Revised Statutes, are repealed.

SECTION 88. Effective date. Sections 14, 15, 16, 51, 52, 56, 57, 58, 88, and 89 of this act shall take effect May 30, 2006, and the remainder of this act shall take effect July 1, 2006.

SECTION 89. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 4, 2006