

Sunsets 1/1/2016

48-2c-606 Series of members, managers, or limited liability company interests.

- (1)
 - (a) An operating agreement may establish or provide for the establishment of one or more designated series of members, managers, or interests in the company having separate rights, powers, or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations.
 - (b) The separate rights, powers, and duties of a series shall be identified in the operating agreement.
- (2) A series may have a business purpose or investment objective separate from the company.
- (3) A series' debts, liabilities, obligations, and expenses are enforceable against the assets of that series only, and not against the assets of the company generally or any other series if:
 - (a) the operating agreement provides for separate treatment of the series;
 - (b) separate and distinct records are maintained concerning the series;
 - (c) the assets associated with the series are held and accounted for separately from the other assets of the company and any other series; and
 - (d) notice of the limitation on liability of a series is included in the company's articles of organization in accordance with Section 48-2c-607.
- (4) None of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the company generally or any other series are enforceable against the assets of a series if:
 - (a) the operating agreement provides for separate treatment of the series;
 - (b) separate and distinct records are maintained concerning the series;
 - (c) the assets associated with the series are held and accounted for separately from the other assets of the company and any other series; and
 - (d) notice of the limitation on liability of a series is included in the company's articles of organization in accordance with Section 48-2c-607.
- (5) A series may contract on its own behalf and in its own name, including through a manager.
- (6) Notwithstanding other provisions of this section:
 - (a) property and assets of a series may not be transferred to the company generally or another series if the transfer impairs the ability of the series releasing the property or assets to pay its debts existing at the time of the transfer unless fair value is given to the transferring series for the property or assets transferred; and
 - (b) a tax or other liability of the company generally or of a series may not be assigned by the series against which the tax or other liability is imposed to the company generally or to another series within the company if the assignment impairs a creditor's right and ability to fully collect an amount due when owed.