

MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT (EXCERPT)
Act 213 of 1982

ARTICLE 6

449.1601 Right of partner to receive distributions before partner's withdrawal from partnership and before dissolution and winding up of partnership.

Sec. 601. Except as provided in this article, a partner is entitled to receive distributions from a limited partnership before the partner's withdrawal from the limited partnership and before the dissolution and winding up of the limited partnership:

(1) To the extent and at the times or upon the happening of the events specified in the partnership agreement.

(2) If any distribution to a limited partner constitutes a return of any part of the limited partner's contribution under section 608(c), to the extent and at the times or upon the happening of the events specified in the certificate of limited partnership.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1602 Right of general partner to withdraw; recovery by limited partner for breach of partnership agreement.

Sec. 602. A general partner may withdraw from a limited partnership at any time by giving written notice to the other partners, but if the withdrawal violates the partnership agreement, the limited partnership may recover from the withdrawing general partner damages for breach of the partnership agreement and offset the damages against the amount otherwise distributable to the withdrawing general partner.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1603 Right of limited partner to withdraw.

Sec. 603. A limited partner may withdraw from a limited partnership at the time or upon the happening of events specified in the certificate of limited partnership, but not before, and in accordance with the partnership agreement. If the certificate does not specify the time or the events upon the happening of which a limited partner may withdraw but does specify a definite time for the dissolution and winding up of the limited partnership, a limited partner may not withdraw prior to the dissolution and winding up of the limited partnership. If the certificate does not specify the time or the events upon the happening of which a limited partner may withdraw or a definite time for the dissolution and winding up of the limited partnership, a limited partner may withdraw upon not less than 6 months' prior written notice to each general partner at his or her address on the books of the limited partnership at its office in this state.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1604 Right of withdrawing partner to receive distribution and fair value of partnership interest.

Sec. 604. Except as provided in this article, upon withdrawal any withdrawing partner is entitled to receive any distribution to which he or she is entitled under the partnership agreement and, if not otherwise provided in the agreement, the withdrawing partner is entitled to receive, within a reasonable time after withdrawal, the fair value of his or her interest in the limited partnership as of the date of withdrawal, based upon the withdrawing partner's right to share in distributions from the limited partnership.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1605 Distribution in cash or in kind.

Sec. 605. Except as provided in the certificate of limited partnership, a limited partner, and except as provided in the partnership agreement, a general partner, regardless of the nature of the partner's contribution, has no right to demand and receive any distribution from a limited partnership in any form other than cash. Except as provided in the partnership agreement, a partner may not be compelled to accept a distribution of any asset in kind from a limited partnership to the extent that the percentage of the asset distributed to him or her exceeds a percentage of that asset which is equal to the percentage in which the partner shares in distributions from the limited partnership.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1606 Status and remedies of partner as creditor with respect to distribution.

Sec. 606. At the time a partner becomes entitled to receive a distribution, the partner has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1607 Distribution; limitation.

Sec. 607. A partner may not receive a distribution from a limited partnership to the extent that, after giving effect to the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests, exceed the fair value of the partnership assets.

History: 1982, Act 213, Eff. Jan. 1, 1983.

449.1608 Limited partner; liability following return of contribution.

Sec. 608. (a) If a limited partner has received the return of any part of his or her contribution without violation of the partnership agreement or this act, he or she is liable to the limited partnership for a period of 1 year thereafter for the amount of the returned contribution, but only to the extent necessary to discharge the limited partnership's liabilities to creditors who extended credit to the limited partnership during the period the contribution was held by the partnership.

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

(c) A limited partner receives a return of his or her contribution to the extent that a distribution to the limited partner reduces his or her share of the fair value of the net assets of the limited partnership below the value, as set forth in the certificate of limited partnership, of the limited partner's contribution which has not been distributed to the limited partner.

History: 1982, Act 213, Eff. Jan. 1, 1983.