

CHAPTER 55

[Substitute House Bill No. 393]

LIMITED PARTNERSHIPS

AN ACT Relating to limited partnerships; and amending RCW 25.10.010, 25.10.020, 25.10.040, 25.10.050, 25.10.080, 25.10.090, 25.10.100, 25.10.110, 25.10.120, 25.10.130, 25.10.140, 25.10.150, 25.10.160, 25.10.170, 25.10.190, 25.10.200, 25.10.210, 25.10.230, 25.10.240, 25.10.250, 25.10.280, 25.10.290, 25.10.300, 25.10.310, 25.10.330, 25.10.340, 25.10.350, 25.10.370, 25.10.380, 25.10.400, 25.10.420, 25.10.440, 25.10.490, 25.10.510, 25.10.600, 23A.08.050, 23A.08.070, 23A.32.030, 24.03.045, 24.03.047, 24.06.045, and 24.06.047.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 51, Laws of 1981 as amended by section 177, chapter 35, Laws of 1982 and RCW 25.10.010 are each amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Certificate of limited partnership" (~~((or "certificate"))~~) means the certificate referred to in RCW 25.10.080, and the certificate as amended or restated.

(2) "Contribution" means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.

(3) "Event of withdrawal of a general partner" means an event that causes a person to cease to be a general partner as provided in RCW 25.10.230.

(4) "Foreign limited partnership" means a partnership formed under laws other than the laws of this state and having as partners one or more general partners and one or more limited partners.

(5) "General partner" means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and named in the certificate of limited partnership as a general partner.

(6) "Limited partner" means a person who has been admitted to a limited partnership as a limited partner in accordance with the partnership agreement (~~((and named in the certificate of limited partnership as a limited partner))~~).

(7) "Limited partnership" and "domestic limited partnership" means a partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners.

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

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

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

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

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

(13) "Conforms to law" as used in connection with duties of the secretary of state in reviewing documents for filing under this chapter, means the secretary of state has determined the document complies as to form with the applicable requirements of this chapter.

(14) "Effective date" means, in connection with a document filing made by the secretary of state, the date which is shown by affixing a "filed" stamp on the documents. When a document is received for filing by the secretary of state in a form which complies with the requirements of this chapter and which would entitle the document to be filed immediately upon receipt, but the secretary of state's approval action occurs subsequent to the date of receipt, the secretary of state's filing date shall relate back to the date on which the secretary of state first received the document in acceptable form. An applicant may request a specific effective date no more than thirty days later than the receipt date which might otherwise be applied as the effective date.

Sec. 2. Section 2, chapter 51, Laws of 1981 and RCW 25.10.020 are each amended to read as follows:

The name of each limited partnership formed pursuant to this chapter as set forth in its certificate of limited partnership:

(1) Shall contain ~~((without abbreviation))~~ the words "limited partnership" or the abbreviation "L.P.";

(2) May not contain the name of a limited partner unless (a) it is also the name of a general partner, or the corporate name of a corporate general partner, or (b) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) ~~((May not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its certificate of limited partnership;~~

~~(4))~~ May not be the same as, or deceptively similar to the name of any domestic corporation or limited partnership existing under the laws of this state or any foreign corporation or limited partnership authorized to transact business in this state, or a name the exclusive right to which is, at the time, reserved in the manner provided in this title, or under the provisions of RCW 23A.08.060, or the name of a corporation or limited partnership which has in effect a registration of its corporate or limited partnership name as provided in this title or under the provisions of Title 23A RCW, unless:

~~(a) ((Such other domestic or foreign corporation or limited partnership is about to change its name or to cease to do business, or is being wound up, or such foreign corporation or limited partnership is about to withdraw from doing business in this state; and~~

~~(b)) The written consent of such other domestic or foreign corporation or limited partnership ((to the adoption of its name or a deceptively similar name has been given and is filed with the certificate. PROVIDED, That a deceptively similar name shall not be used if the secretary of state finds that the use of such name shall be against public interest;)) or holder of a reserved or registered name to use the same or deceptively similar name has been filed with the certificate and one or more words or numerals are added or deleted to make the name distinguishable from the other name as determined by the secretary of state; or~~

(b) A certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the limited partnership to use the name in this state is filed with the certificate;

~~((5)) (4) May not contain the following words or phrases: "Bank", "banking", "banker", "trust", "cooperative"; or any combination of the words "industrial" and "loan"; or any combination of any two or more words "building", "savings", "loan", "home", "association"; or any other words or phrases prohibited by any statute of this state.~~

Sec. 3. Section 4, chapter 51, Laws of 1981 and RCW 25.10.040 are each amended to read as follows:

(1) Each limited partnership shall continuously maintain in this state(:

(1)) an office which may but need not be a place of its business in this state, at which shall be kept the records required by RCW 25.10.050 to be maintained((; and)). The office shall be at a specific geographical location in this state and be identified by number, if any, and street or building address or rural route or other geographical address. The office shall not be identified only by post office box number or other nongeographic address. For purposes of communicating by mail, the secretary of state may permit the use of a post office address in conjunction with the office address.

(2) Each limited partnership shall continuously maintain in this state an agent for service of process on the limited partnership, which agent must be an individual resident of this state, a domestic corporation, or a foreign corporation authorized to do business in this state. The agent may, but need not, be located at the office identified in RCW 25.10.040(1). The agent's address shall be at a specific geographical location in this state and be identified by number, if any, and street or building address or rural route or other geographical address. The agent's address shall not be identified only by post office box number or other nongeographic address. For purposes of communicating by mail, the secretary of state may permit the use of a post office address in conjunction with the agent's geographic address.

(3) A registered agent shall not be appointed without having given prior written consent to the appointment. The written consent shall be filed with the secretary of state in such form as the secretary may prescribe. The written consent shall be filed with or as a part of the document first appointing a registered agent. In the event any individual or corporation has been appointed agent without consent, that person or corporation may file a notarized statement attesting to that fact, and the name shall forthwith be removed from the records of the secretary of state. The registered agent so appointed by a limited partnership shall be an agent of such limited partnership upon whom any process, notice, or demand required or permitted by law to be served upon the limited partnership may be served. If a limited partnership fails to appoint or maintain a registered agent in this state, or if its registered agent cannot with reasonable diligence be found, then the secretary of state shall be an agent of such limited partnership upon whom any such process, notice, or demand may be served. Service on the secretary of state of any such process, notice, or demand shall be made by delivering to and leaving with the secretary of state, or with any authorized clerk of the corporation department of the secretary of state's office, duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the secretary of state, the secretary of state shall immediately cause one of the copies thereof to be forwarded by certified mail, addressed to the limited partnership at the office referred to in RCW 25.10.040(1). Any service so had on the secretary of state shall be returnable in no fewer than thirty days.

The secretary of state shall keep a record of all processes, notices, and demands served upon the secretary of state under this section, and shall record therein the time of such service and the secretary of state's action with reference thereto.

Nothing in this section limits or affects the right to serve any process, notice, or demand required or permitted by law to be served upon a limited partnership in any other manner now or hereafter permitted by law.

Any registered agent may resign as such agent upon filing a written notice thereof, executed in duplicate, with the secretary of state, who shall forthwith mail one copy thereof to the limited partnership. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the secretary of state.

Sec. 4. Section 5, chapter 51, Laws of 1981 and RCW 25.10.050 are each amended to read as follows:

Each limited partnership shall keep at the office referred to in RCW 25.10.040(1) the following:

(1) A current list of the full name and last known address of each partner, specifying separately the general and limited partners;

(2) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

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

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

(5) Unless contained in a written partnership agreement, a written statement of:

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

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

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

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

The books and records are subject to inspection and copying at the reasonable request, and at the expense, of any partner during ordinary business hours.

Sec. 5. Section 8, chapter 51, Laws of 1981 and RCW 25.10.080 are each amended to read as follows:

~~(1) In order to form a limited partnership ((two or more persons must execute a certificate of limited partnership. The certificate shall be filed in the office of the secretary of state and))~~ a certificate of limited partnership must be executed and duplicate originals filed in the office of the secretary of state. The certificate shall set forth:

~~(a) The name of the limited partnership;~~

~~(b) ((The general character of its business;~~

~~(c)) The address of the office for records and the name and address of the agent for service of process ((required to be maintained by))~~ appointed pursuant to RCW 25.10.040;

~~((d))~~ (c) The name and the geographical and mailing addresses of each general partner ((specifying separately the general partners and limited partners);

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

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

~~(g) Any power of a limited partner to grant the right to become a limited partner to an assignee of any part of his partnership interest, and the terms and conditions of the power;~~

~~(h) If agreed upon, the time at which or the events upon the happening of which a partner may terminate his membership in the limited partnership and the amount of, or the method of determining, the distribution to which he may be entitled respecting his partnership interest, and the terms and conditions of the termination and distribution;~~

~~(i) Any right of a partner to receive distributions of property, including cash from the limited partnership;~~

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

~~(k) The time at which and any earlier events upon the happening of which the limited partnership is to be dissolved and its affairs wound up;~~

~~(l) Any right of the remaining general partners to continue the business on the happening of an event of withdrawal of a general partner);~~

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

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

(2) A limited partnership is formed at the time of the filing of the certificate of limited partnership in the office of the secretary of state or at any later time specified in the certificate of limited partnership if, in either case, there has been substantial compliance with the requirements of this section.

Sec. 6. Section 9, chapter 51, Laws of 1981 and RCW 25.10.090 are each amended to read as follows:

(1) A certificate of limited partnership is amended by filing duplicate originals of a certificate of amendment thereto in the office of the secretary of state. The certificate shall set forth:

(a) The name of the limited partnership;

(b) The date and place of filing of the original certificate of limited partnership; and

(c) The amendment to the certificate of limited partnership.

(2) Within thirty days after the happening of any of the following events an amendment to a certificate of limited partnership reflecting the occurrence of the event or events shall be filed:

~~(a) ((A change in the amount or character of the contribution of any partner, or in any partner's obligation to make a contribution;~~

~~(b))~~ The admission of a new general partner;

~~((c))~~ (b) The withdrawal of a general partner; ~~((or~~

~~(d))~~ (c) The continuation of the business under RCW 25.10.440 after an event of withdrawal of a general partner; or

(d) A change in the name of the limited partnership, a change in the office described in RCW 25.10.040(1), a change in the name or address of the agent for service of process, a change in the name or address of any general partner, or a change in the date upon which the limited partnership is to dissolve.

(3) A general partner who becomes aware that any statement in a certificate of limited partnership was false when made or that any arrangements or other facts described have changed, making the certificate inaccurate in any respect, shall promptly amend the certificate, but an amendment to show a change of address of a ~~((limited))~~ general partner need be filed only once every twelve months.

(4) A certificate of limited partnership may be amended at any time for any other proper purpose the general partners may determine.

(5) No person has any liability because an amendment to a certificate of limited partnership has not been filed to reflect the occurrence of any event referred to in subsection (2) of this section if the amendment is filed within the thirty-day period specified in subsection (2) of this section.

(6) A certificate of limited partnership is restated by filing duplicate originals of a certificate of restatement in the office of the secretary of state. The certificate shall set forth:

(a) The name of the limited partnership;

(b) The date and place of filing of the original certificate; and

(c) A statement setting forth all operative provisions of the certificate of limited partnership as theretofore amended together with a statement that the restated articles correctly set forth without change the provisions of the certificate of limited partnership as theretofore amended and that the restated certificate supersedes the original certificate and all amendments thereto.

Sec. 7. Section 10, chapter 51, Laws of 1981 and RCW 25.10.100 are each amended to read as follows:

(1) Upon the dissolution and commencement of winding up of a limited partnership or at any time there are no limited partners, duplicate originals of a certificate of ~~((limited partnership shall be canceled upon the))~~ dissolution ~~((and the commencement of winding up of the partnership or at any other time there are no limited partners. A certificate of cancellation))~~ shall be filed ~~((in the office of))~~ with the secretary of state and set forth:

~~((1))~~ (a) The name of the limited partnership;

~~((2))~~ (b) The date and place of filing of its original certificate of limited partnership;

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

~~((4) The effective date, which shall be a date certain, of cancellation if it is not to be effective upon the filing of the certificate))~~ dissolution and commencement of winding up; and

~~((5))~~ (d) Any other information the ~~((general partners))~~ person filing the certificate determines.

(2) A certificate of limited partnership shall be cancelled upon the effective date of a certificate of cancellation. A certificate of cancellation shall be filed upon the completion of winding up the limited partnership. Duplicate originals of a certificate of cancellation shall be filed with the secretary of state and shall set forth:

(a) the name of the limited partnership;

(b) The date and place of filing of its original certificate of limited partnership;

(c) The effective date, which shall be a later date certain, of cancellation if it is not to be effective upon the filing of the certificate; and

(d) Any other information the person filing the certificate determines.

Sec. 8. Section 11, chapter 51, Laws of 1981 and RCW 25.10.110 are each amended to read as follows:

(1) Each certificate required by this article to be filed in the office of the secretary of state shall be executed in the following manner:

(a) ~~((A))~~ Each original certificate of limited partnership must be signed by all general partners named therein;

(b) A certificate of amendment or restatement must be signed by at least one general partner and by each other general partner designated in the certificate as a new general partner ~~((or whose contribution is described as having been increased))~~; and

(c) A certificate of dissolution and a certificate of cancellation must be signed by all general partners or the limited partners winding up the partnership pursuant to RCW 25.10.460.

(2) Any person may sign a certificate or partnership agreement by an attorney-in-fact: PROVIDED, That each document signed in such manner identifies the capacity in which the signator signed.

(3) The execution of a certificate by a ~~((general))~~ partner constitutes an affirmation under the penalties of perjury that the facts stated therein are true.

Sec. 9. Section 12, chapter 51, Laws of 1981 and RCW 25.10.120 are each amended to read as follows:

If a person required by RCW 25.10.110 to execute a certificate ~~((of amendment or cancellation))~~ fails or refuses to do so, any other ~~((partner, and any assignee of a partnership interest,))~~ person who is adversely affected by the failure or refusal, may petition any court of competent jurisdiction to direct the ~~((amendment or cancellation))~~ execution. If the court finds that ~~((the amendment or cancellation))~~ it is proper for the certificate to be executed and that any person so designated has failed or refused to execute the certificate, ~~((it))~~ the court shall order the secretary of state to record an appropriate certificate ~~((of amendment or cancellation))~~.

Sec. 10. Section 13, chapter 51, Laws of 1981 as amended by section 178, chapter 35, Laws of 1982 and RCW 25.10.130 are each amended to read as follows:

(1) Two signed copies of the certificate of limited partnership and of any certificates of amendment, restatement, dissolution, or cancellation (or of any judicial decree of amendment or cancellation) shall be delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of all filing fees required by law the secretary of state shall:

(a) Endorse on each duplicate original the word "Filed" and the effective date of the filing;

(b) File one duplicate original; and

(c) Return the other duplicate original to the person who filed it or the person's representative.

(2) Upon the filing of a certificate of amendment or restatement, or judicial decree of amendment, in the office of the secretary of state, the certificate of limited partnership shall be amended or restated as set forth therein, and upon the effective date of a certificate of cancellation or a judicial decree thereof, the certificate of limited partnership is canceled.

Sec. 11. Section 14, chapter 51, Laws of 1981 and RCW 25.10.140 are each amended to read as follows:

If any certificate of limited partnership or certificate of amendment, restatement, dissolution, or cancellation contains a false statement, one who suffers loss by reliance on the statement may recover damages for the loss from:

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

(2) Any general partner who thereafter knows or should have known that any arrangement or other fact described in the certificate has changed, making the statement inaccurate in any respect within a sufficient time before the statement was relied upon reasonably to have enabled that general partner to cancel or amend the certificate, or to file a petition for its cancellation or amendment under RCW 25.10.120.

Sec. 12. Section 15, chapter 51, Laws of 1981 and RCW 25.10.150 are each amended to read as follows:

(1) The fact that a certificate of limited partnership is on file in the office of the secretary of state is notice that the partnership is a limited partnership and the persons designated therein as ((limited)) general partners are ((limited)) general partners, but is not notice of any other fact.

(2) A restated certificate of limited partnership shall be notice that the prior certificate of limited partnership and all amendments thereto are superseded.

Sec. 13. Section 16, chapter 51, Laws of 1981 and RCW 25.10.160 are each amended to read as follows:

Upon the return by the secretary of state pursuant to RCW 25.10.130 of a certificate marked "Filed", the general partners shall promptly deliver or mail a copy of the certificate of limited partnership and each certificate of amendment, restatement, dissolution, or cancellation to each limited partner unless the partnership agreement provides otherwise.

Sec. 14. Section 17, chapter 51, Laws of 1981 and RCW 25.10.170 are each amended to read as follows:

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

(a) The date the original certificate of limited partnership is filed; or

(b) The date stated in the records of the limited partnership as the date that person becomes a limited partner.

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

(a) In the case of a person acquiring a partnership interest directly from the limited partnership, upon the compliance with the partnership agreement or, if the partnership agreement does not so provide, upon the written consent of all partners; and

(b) In the case of an assignee of a partnership interest of a partner who has the power, as provided in RCW 25.10.420, to grant the assignee the right to become a limited partner, upon the exercise of that power and compliance with any conditions limiting the grant or exercise of the power.

~~((2) In each case under subsection (1) of this section, the person acquiring the partnership interest becomes a limited partner only upon amendment of the certificate of limited partnership reflecting that fact.))~~

Sec. 15. Section 19, chapter 51, Laws of 1981 and RCW 25.10.190 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, a limited partner is not liable for the obligations of a limited partnership unless ((he)) the limited partner is also a general partner or, in addition to the exercise of ((his)) rights and powers as a limited partner, ((he takes part)) the limited partner participates in the control of the business. However, if the limited ((partner's participation)) partner participates in the control of the business ((in not substantially the same as the exercise of the powers of a general partner, he)), the limited partner is liable only to persons who transact business with the limited partnership ((with actual knowledge of his participation in control)) reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.

(2) A limited partner does not participate in the control of the business within the meaning of subsection (1) of this section solely by doing one or more of the following:

(a) Being a contractor for or an agent or employee of the limited partnership or of a general partner, or being an officer, director, or shareholder of a ((corporate)) general partner that is a corporation;

(b) Consulting with and advising a general partner with respect to the business of the limited partnership;

(c) Acting as surety for the limited partnership or guaranteeing or assuming one or more specific obligations of the limited partnership or providing collateral for partnership obligations;

(d) ~~((Proposing, approving, or disapproving an amendment to the partnership agreement; or))~~ Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership;

(e) Requesting or attending a meeting of partners;

(f) Proposing ((or)), approving, or disapproving, by voting or otherwise, on one or more of the following matters:

(i) The dissolution and winding up of the limited partnership;

(ii) The sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all of the assets of the limited partnership ((other than in the ordinary course of its business));

(iii) The incurrence of indebtedness by the limited partnership other than in the ordinary course of its business;

(iv) A change in the nature of its business; ((or))

(v) ~~((The addition, removal, or substitution of general partners))~~ The admission or removal of a limited partner ;

(vi) The admission or removal of a general partner;

(vii) A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners;

(viii) An amendment to the partnership agreement or certificate of limited partnership; or

(ix) Matters related to the business of the limited partnership not otherwise enumerated in this subsection (2), that the partnership agreement states in writing may be subject to the approval or disapproval of limited partners or a committee of limited partners;

(g) Winding up the limited partnership pursuant to RCW 25.10.460 or conducting the affairs of the limited partnership during any portion of the ninety days referred to in RCW 25.10.440; or

(h) Exercising any right or power permitted to limited partners under this chapter and not specifically enumerated in this subsection (2).

(3) The enumeration in subsection (2) of this section does not mean that the possession or exercise of any other powers by a limited partner

constitutes participation by him in the control of the business of the limited partnership.

(4) A limited partner who knowingly permits his name to be used in the name of the limited partnership, except under circumstances permitted by RCW 25.10.020(2), is liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

Sec. 16. Section 20, chapter 51, Laws of 1981 as amended by section 1, chapter 302, Laws of 1983 and RCW 25.10.200 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a person who makes a contribution to a business enterprise and erroneously but in good faith believes that he or she has become a limited partner in the enterprise is not a general partner in the enterprise and is not bound by its obligations by reason of making the contribution, receiving distributions from the enterprise, or exercising any rights of a limited partner, if, ~~((om))~~ within a reasonable time after ascertaining the mistake, ((he)) the person:

(a) Causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed; or

(b) Withdraws from future equity participation in the enterprise by executing and filing in the office of the secretary of state a certificate or statement declaring withdrawal under this section.

(2) A person who makes a contribution of the kind described in subsection (1) of this section is liable as a general partner to any third party who transacts business with the enterprise (a) before the person withdraws and an appropriate certificate ~~((or statement))~~ is filed to show withdrawal, or (b) before an appropriate certificate is filed to show ~~((his status as a limited partner and, in the case of an amendment, after expiration of the thirty-day period for filing an amendment relating to the person as a limited partner under RCW 25.10.090))~~ that the person is not a general partner, but in either case only if the third party actually believed in good faith that the person was a general partner at the time of the transaction.

Sec. 17. Section 21, chapter 51, Laws of 1981 and RCW 25.10.210 are each amended to read as follows:

Each limited partner has the right to:

(1) Inspect and copy any of the partnership records required to be maintained by RCW 25.10.050; and

(2) Obtain from the general partners from time to time upon reasonable demand (a) true and full information regarding the state of the business and financial condition of the limited partnership, (b) promptly after becoming available, a copy of the limited partnership's federal ~~((state, and local))~~ income tax returns and state business and occupation tax return for each year, and (c) other information regarding the affairs of the limited partnership as is just and reasonable.

Sec. 18. Section 23, chapter 51, Laws of 1981 and RCW 25.10.230 are each amended to read as follows:

Except as approved by the specific written consent of all partners at the time, a person ceases to be a general partner of a limited partnership upon the happening of any of the following events:

(1) The general partner withdraws from the limited partnership as provided in RCW 25.10.320;

(2) The general partner ceases to be a member of the limited partnership as provided in RCW 25.10.400;

(3) The general partner is removed as a general partner in accordance with the partnership agreement;

(4) Unless otherwise provided in writing in the ~~((certificate of limited))~~ partnership agreement, the general partner:

(a) Makes an assignment for the benefit of creditors;

(b) Files a voluntary petition in bankruptcy;

(c) Is adjudicated a bankrupt or insolvent;

(d) Files a petition or answer seeking for himself or herself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;

(e) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him or her in any proceeding of this nature; or

(f) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of his or her properties;

(5) Unless otherwise provided in the certificate of limited partnership, ninety days after the commencement of any proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, the proceeding has not been dismissed, or if within sixty days after the appointment without ~~((his))~~ the general partner's consent or acquiescence of a trustee, receiver, or liquidator of the general partner of all or any substantial part of his or her properties, the appointment is not vacated or stayed, or within sixty days after the expiration of any such stay, the appointment is not vacated;

(6) In the case of a general partner who is a natural person:

(a) His or her death; or

(b) The entry by a court of competent jurisdiction adjudicating ~~((him))~~ the general partner incompetent to manage his or her person or ~~((his))~~ estate;

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

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

(9) In the case of a general partner that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; or

(10) In the case of an estate, the distribution by the fiduciary of the estate's entire interest in the partnership.

Sec. 19. Section 24, chapter 51, Laws of 1981 as amended by section 2, chapter 302, Laws of 1983 and RCW 25.10.240 are each amended to read as follows:

(1) Except as provided in this chapter or in the partnership agreement, a general partner of a limited partnership has the rights and powers and is subject to the restrictions of a partner in a partnership without limited partners.

(2) Except as provided in this chapter, a general partner of a limited partnership has the liabilities of a partner in a partnership without limited partners to persons other than the limited partnership and the other partners. Except as provided in this chapter or in the partnership agreement, a general partner of a limited partnership has the liabilities of a partner in a partnership without limited partners to the limited partnership and to the other partners.

Sec. 20. Section 25, chapter 51, Laws of 1981 and RCW 25.10.250 are each amended to read as follows:

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

Sec. 21. Section 28, chapter 51, Laws of 1981 and RCW 25.10.280 are each amended to read as follows:

(1) Except as provided in the ~~((certificate of limited))~~ partnership agreement, a partner is obligated to the limited partnership to perform any promise to contribute cash or property or to perform services, even if ~~((he))~~ the partner is unable to perform because of death, disability, or any other reason. If a partner does not make the required contribution of property or services, ~~((he))~~ the partner is obligated at the option of the limited partnership to contribute cash equal to that portion of the value, as stated in the ~~((certificate of limited))~~ partnership agreement or, if not stated in the

agreement, in the limited partnership records required to be kept pursuant to RCW 25.10.050(5), of the stated contribution that has not been made.

(2) Unless otherwise provided in the partnership agreement, the obligation of a partner to make a contribution or return money or other property paid or distributed in violation of this chapter may be compromised only by consent of all the partners. Notwithstanding the compromise, a creditor of a limited partnership who extends credit, or whose claim arises, after the ~~((filing of the certificate of limited partnership))~~ entering into of a partnership agreement or an amendment thereto which, in either case, reflects the obligation, and before the amendment or cancellation thereof to reflect the compromise, may enforce the original obligation to the extent that, in extending credit, the creditor reasonably relied on the obligation of a partner to make a contribution.

Sec. 22. Section 29, chapter 51, Laws of 1981 and RCW 25.10.290 are each amended to read as follows:

The profits and losses of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in the partnership agreement. If the partnership agreement does not so provide, profits and losses shall be allocated on the basis of the value, as stated in the ~~((certificate of limited))~~ partnership agreement or, if not stated therein, in the limited partnership records required to be kept pursuant to RCW 25.10.050(5), of the contributions made by each partner to the extent they have been received by the limited partnership and have not been returned.

Sec. 23. Section 30, chapter 51, Laws of 1981 and RCW 25.10.300 are each amended to read as follows:

Distributions of cash or other assets of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in the partnership agreement. If the partnership agreement does not so provide, distributions shall be made on the basis of the value, as stated in the ~~((certificate of limited))~~ partnership agreement or, if not stated therein, in the limited partnership records required to be kept pursuant to RCW 25.10.050(5), of the contributions made by each partner to the extent they have been received by the limited partnership and have not been returned.

Sec. 24. Section 31, chapter 51, Laws of 1981 as amended by section 179, chapter 35, Laws of 1982 and RCW 25.10.310 are each amended to read as follows:

Except as provided in this article, a partner is entitled to receive distributions from a limited partnership before ~~((his))~~ the partner's withdrawal from the limited partnership and before the dissolution and winding up thereof~~((:~~

~~((+)))~~ to the extent and at the times or upon the happening of the events specified in the partnership agreement~~((, and~~

~~(2) If any distribution constitutes a return of any part of his contribution under RCW 25.10.380(3), to the extent and at the times or upon the happening of the events specified in the certificate of limited partnership)).~~

Sec. 25. Section 33, chapter 51, Laws of 1981 and RCW 25.10.330 are each amended to read as follows:

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))~~ and in accordance with the partnership agreement. If the ~~((certificate))~~ partnership agreement 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 six months' prior written notice to each general partner at that partner's address on the books of the limited partnership at its office in this state.

Sec. 26. Section 34, chapter 51, Laws of 1981 and RCW 25.10.340 are each amended to read as follows:

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 partnership agreement, ~~((he))~~ the 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 his or her right to share in distributions from the limited partnership.

Sec. 27. Section 35, chapter 51, Laws of 1981 and RCW 25.10.350 are each amended to read as follows:

Except as provided in the ~~((certificate of limited))~~ partnership agreement, a partner, regardless of the nature of his or her 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))~~ the partner exceeds a percentage of that asset which is equal to the percentage in which he or she shares in distributions from the limited partnership.

Sec. 28. Section 37, chapter 51, Laws of 1981 and RCW 25.10.370 are each amended to read as follows:

A partner may not receive a distribution from a limited partnership to the extent that at the time of the distribution, 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 limited partnership assets.

Sec. 29. Section 38, chapter 51, Laws of 1981 and RCW 25.10.380 are each amended to read as follows:

(1) If a partner has received the return of any part of his or her contribution without violation of the partnership agreement or this chapter, ~~((he))~~ the partner is liable to the limited partnership for a period of one 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 limited partnership.

(2) If a partner has received the return of any part of his or her contribution in violation of the partnership agreement or this chapter, ~~((he))~~ the partner is liable to the limited partnership for a period of six years thereafter for the amount of the contribution wrongfully received.

(3) A partner receives a return of his or her contribution to the extent that a distribution to ~~((him))~~ the 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 agreement or, if not stated therein, in the limited partnership records required to be kept pursuant to RCW 25.10.050(5), of ~~((his))~~ the partner's contribution which has not been distributed to ~~((him))~~ the partner.

Sec. 30. Section 40, chapter 51, Laws of 1981 and RCW 25.10.400 are each amended to read as follows:

~~((Except as))~~ (1) Unless otherwise provided in the partnership agreement((:));

(a) A partnership interest is assignable in whole or in part((:));

(b) An assignment of a partnership interest does not dissolve a limited partnership or entitle the assignee to become or to exercise any rights or powers of a partner((:));

(c) An assignment entitles the assignee to ~~((receive, to the extent assigned, only the distribution to which the assignor would be entitled. Except as provided in the partnership agreement, a partner ceases to be a partner upon assignment of all his partnership interests))~~ share in such profits and losses, to receive such distribution or distributions, and to receive such allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned; and

(d) A partner ceases to be a partner and to have the power to exercise any rights or powers of a partner upon assignment of all of his or her partnership interest.

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

Sec. 31. Section 42, chapter 51, Laws of 1981 and RCW 25.10.420 are each amended to read as follows:

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

(2) An assignee who has become a limited partner has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a limited partner under the partnership agreement and this chapter. An assignee who becomes a limited partner also is liable for the obligations of his or her assignor to make and return contributions as provided in Articles 5 and 6 of this chapter. However, the assignee is not obligated for liabilities unknown to the assignee at the time he or she became a limited partner ~~((and which could not be ascertained from the certificate of limited partnership))~~.

(3) If an assignee of a partnership interest becomes a limited partner, the assignor is not released from his or her liability to the limited partnership under RCW 25.10.140 and 25.10.280.

Sec. 32. Section 44, chapter 51, Laws of 1981 and RCW 25.10.440 are each amended to read as follows:

A limited partnership is dissolved and its affairs shall be wound up upon the happening of the first to occur of the following:

(1) At the time ~~((or upon the happening of events))~~ specified in the certificate of limited partnership;

(2) Upon the happening of events specified in the partnership agreement;

(3) Written consent of all partners;

~~((3))~~ (4) An event of withdrawal of a general partner unless at the time there is at least one other general partner and the ~~((certificate of limited))~~ partnership agreement permits the business of the limited partnership to be carried on by the remaining general partner and that partner does so, but the limited partnership is not dissolved and is not required to be wound up by reason of any event of withdrawal if, within ninety days after the withdrawal, all partners agree in writing to continue the business of the limited partnership and to the appointment of one or more additional general partners if necessary or desired; or

~~((4))~~ (5) Entry of a decree of judicial dissolution under RCW 25.10.450.

Sec. 33. Section 49, chapter 51, Laws of 1981 and RCW 25.10.490 are each amended to read as follows:

Before transacting business in this state, a foreign limited partnership shall register with the secretary of state. In order to register, a foreign limited partnership shall submit to the secretary of state, in duplicate, an application for registration as a foreign limited partnership, signed and sworn to by a general partner and setting forth:

(1) The name of the foreign limited partnership as set forth in its certificate of limited partnership and, if different, the name under which it proposes to register and transact business in this state;

(2) The state, province, or other jurisdiction under which the foreign limited partnership was organized and the date of its formation;

~~(3) ((The general character of the business it proposes to transact in this state;~~

~~(4))~~ (4) The name and address of any agent for service of process on the foreign limited partnership whom the foreign limited partnership ~~((elects to))~~ appoints pursuant to RCW 25.10.040(2) and (3). The agent must be an individual resident of this state, a domestic corporation, or a foreign corporation having a place of business in, and authorized to do business in this state;

~~((5))~~ (4) A statement that the secretary of state is appointed the agent of the foreign limited partnership for service of process if ~~((no agent has been appointed under subsection (4) of this section or, if appointed;))~~ the agent's authority has been revoked or if the agent cannot be found or served with the exercise of reasonable diligence;

~~((6))~~ (5) The address of the office required to be maintained in the state or other jurisdiction of its organization by the laws of that state or other jurisdiction or, if not so required, of the principal office of the foreign limited partnership;

~~((7) If the certificate of limited partnership filed in the foreign limited partnership's place of organization is not required to include the names and business addresses of the partners, a list of those names and addresses))~~ (6) The name and business address of each general partner;

(7) The addresses of the office at which a list is kept of the names and addresses of the limited partners and their capital contributions, together with an undertaking by the foreign limited partnership to keep those records until the foreign limited partnership's registration in this state is canceled; and

(8) If the foreign limited partnership was organized under laws of a jurisdiction other than another state, a copy of a written partnership agreement, in English language.

Sec. 34. Section 51, chapter 51, Laws of 1981 and RCW 25.10.510 are each amended to read as follows:

A foreign limited partnership may register with the secretary of state under any name, whether or not it is the name under which it is registered in its place of organization, that includes ~~((without abbreviation))~~ the words "limited partnership" or the abbreviation "L.P." and that could be registered by a domestic limited partnership~~((, except that a foreign limited partnership organized under the laws of a jurisdiction other than another state shall register and transact business under a name that includes without~~

~~abbreviation the words "a (reference to the country in which organized) limited partnership").~~

Sec. 35. Section 60, chapter 51, Laws of 1981 and RCW 25.10.600 are each amended to read as follows:

The secretary of state shall adopt ~~((, within one hundred twenty days after the effective date of this act,))~~ rules establishing fees which ~~((may))~~ shall be charged and collected for:

- (1) Filing of a certificate of limited partnership for a domestic or foreign limited partnership;
- (2) Filing of a certificate of cancellation or a certificate of dissolution for a domestic or foreign limited partnership;
- (3) Filing of a certificate of amendment or restatement for a domestic or foreign limited partnership;
- (4) Filing an application to reserve or transfer a limited partnership name;
- (5) Filing any other statement or report(;
- ~~(6) Furnishing a certified copy of any certificate of limited partnership;~~
- ~~(7) Furnishing a certified copy of any other document, instrument, or paper relating to a limited partnership;~~
- ~~(8) Furnishing a certificate, under seal, attesting to the status of a limited partnership;~~
- ~~(9) Furnishing copies of any document, instrument, or paper relating to a limited partnership;~~
- ~~(10) Service of process on the office of secretary of state as agent of a limited partnership;~~
- ~~(11) Such other filings as are provided for by this chapter;~~

~~PROVIDED, That the fees for filing a certificate of limited partnership shall not exceed one hundred dollars and the fees for filing a certificate of cancellation, certificate of amendment, a reservation of name, or other statement shall not exceed twenty-five dollars))~~ authorized or permitted to be filed;

(6) Copies, certified copies, certificates, service of process filings, and expedited filings or other special services.

In the establishment of a fee schedule, the secretary of state shall, insofar as is possible and reasonable, be guided by the fee schedule provided for corporations registering pursuant to Title 23A RCW. Fees for copies, certified copies, certificates of record, and service of process filings shall be as provided for in RCW 23A.40.030.

All fees collected by the secretary of state shall be deposited with the state treasurer ~~((and credited to the general fund))~~ pursuant to law.

Sec. 36. Section 8, chapter 53, Laws of 1965 as amended by section 5, chapter 16, Laws of 1979 and RCW 23A.08.050 are each amended to read as follows:

- (1) The corporate name:

(a) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(c) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state or any foreign corporation authorized to transact business in this state, any domestic or foreign limited partnership on file with the secretary, or a name the exclusive right to which is, at the time, reserved in the manner provided in this title, or the name of a corporation which has in effect a registration of its corporate name as provided in this title, except that this provision shall not apply if the applicant files with the secretary of state either of the following: (i) The written consent of the other corporation, limited partnership, or holder of a reserved or a registered name to use the same or deceptively similar name and one or more words are added or deleted to make the name distinguishable from the other name as determined by the secretary of state, or (ii) a certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of the name in this state.

(2) No corporation formed under this chapter shall include in its corporate name any of the following words or phrases: "Bank," "banking," "banker," "trust," "cooperative," or any combination of the words "industrial" and "loan," or any combination of any two or more words "building," "savings," "loan," "home," "association," "society," "room," "lounge" or any other words or phrases prohibited by any statute of this state.

(3) The assumption of a name in violation of this section shall not affect or vitiate the corporate existence, but the courts of this state, having equity jurisdiction, may, upon the application of the state, or of any person, unincorporated association, or corporation interested or affected, enjoin such corporation from doing business under a name assumed in violation of this section, although its articles of incorporation may have been approved and a certificate of incorporation issued.

(4) A corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations or upon a sale, lease, or other disposition to or exchange with a domestic corporation of all or substantially all the assets of another corporation, domestic or foreign, including its name, may have the same name as that used in this state by any of the corporations involved if the other corporation was engaged under the laws of or is authorized to transact business in this state.

Sec. 37. Section 10, chapter 53, Laws of 1965 as amended by section 2, chapter 117, Laws of 1986 and RCW 23A.08.070 are each amended to read as follows:

Any corporation, organized and existing under the laws of any state or territory of the United States may register its corporate name under this title, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state, the name of any domestic or foreign limited partnership on file with the secretary, or the name of any foreign corporation authorized to transact business in this state, or any corporate name reserved or registered under this title.

Such registration shall be made by:

(1) Filing with the secretary of state (a) an application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or territory under the laws of which it is incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged, and (b) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the secretary of state of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(2) Paying to the secretary of state a registration fee in the amount of twenty dollars.

Such registration shall be effective until the close of the calendar year in which the application for registration is filed.

Sec. 38. Section 111, chapter 53, Laws of 1965 as last amended by section 47, chapter 16, Laws of 1979 and RCW 23A.32.030 are each amend to read as follows:

No certificate of authority shall be issued to a foreign corporation unless the corporate name of such corporation:

(1) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words, or such corporation shall, for use in this state, add at the end of its name one of such words or an abbreviation thereof.

(2) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(3) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state or any foreign corporation authorized to transact business in this state, any domestic or foreign limited partnership on file with the secretary, or a name the exclusive right to which is, at the time, reserved in the manner provided in this title, or the name of a corporation which has in effect a registration of its

name as provided in this title, except that this provision shall not apply if the foreign corporation applying for a certificate of authority files with the secretary of state any one of the following:

(a) A resolution of its board of directors adopting a fictitious name for use in transacting business in this state which fictitious name is not deceptively similar to the name of any domestic corporation or of any foreign corporation authorized to transact business in this state, to the name of a limited partnership on file with the secretary, or to any name reserved or registered as provided in this title; or

(b) The written consent of the other corporation, limited partnership, or holder of a reserved or registered name to use the same or deceptively similar name and one or more words are added to make the name distinguishable from the other name as determined by the secretary of state; or

(c) A certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the foreign corporation to the use of the name in this state.

Sec. 39. Section 10, chapter 235, Laws of 1967 as last amended by section 6, chapter 240, Laws of 1986 and RCW 24.03.045 are each amended to read as follows:

The corporate name:

(1) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation.

(2) Shall not be the same as, or deceptively similar to, the name of any corporation, whether for profit or not for profit, existing under any act of this state, or any foreign corporation, whether for profit or not for profit, authorized to transact business or conduct affairs in this state, any domestic or foreign limited partnership on file with the secretary, or a limited partnership existing under chapter 25.10 RCW, or a corporate name reserved or registered as permitted by the laws of this state. This subsection shall not apply if the applicant files with the secretary of state either of the following:

(a) The written consent of the other corporation, limited partnership, or holder of a reserved name to use the same or deceptively similar name and one or more words are added or deleted to make the name distinguishable from the other name as determined by the secretary of state, or (b) a certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of the name in this state.

(3) Shall be transliterated into letters of the English alphabet, if it is not in English.

(4) Shall not include or end with "incorporated," "company," "corporation," "partnership," "limited partnership," or "Ltd.," or any abbreviation thereof, but may use "club," "league," "association," "services," "committee," "fund," "society," "foundation," " , a nonprofit corporation," or any name of like import.

Sec. 40. Section 78, chapter 35, Laws of 1982 as amended by section 7, chapter 240, Laws of 1986 and RCW 24.03.047 are each amended to read as follows:

Any corporation, organized and existing under the laws of any state or territory of the United States may register its corporate name under this title, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state, ((or)) the name of any foreign corporation authorized to transact business in this state, the name of any limited partnership on file with the secretary, or any corporate name reserved or registered under this title.

Such registration shall be made by:

(1) Filing with the secretary of state: (a) An application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or territory under the laws of which it is incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged, and (b) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the secretary of state of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(2) Paying to the secretary of state the applicable registration fee.

The registration shall be effective until the close of the calendar year in which the application for registration is filed.

Sec. 41. Section 9, chapter 120, Laws of 1969 ex. sess. as last amended by section 121, chapter 35, Laws of 1982 and RCW 24.06.045 are each amended to read as follows:

The corporate name:

(1) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation.

(2) Shall not be the same as, or deceptively similar to, the name of any corporation existing under any act of this state, or any foreign corporation authorized to transact business or conduct affairs in this state under any act of this state, the name of a domestic or foreign limited partnership on file with the secretary, or a corporate name reserved or registered as permitted by the laws of this state. This subsection shall not apply if the applicant files with the secretary of state either of the following: (a) The written consent of the other corporation, limited partnership, or holder of a reserved name to use the same or deceptively similar name and one or more words are added or deleted to make the name distinguishable from the other name as determined by the secretary of state, or (b) a certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of the name in this state.

(3) Shall be transliterated into letters of the English alphabet if it is not in English.

(4) The name of any corporation formed under this section shall not include nor end with "incorporated", "company", or "corporation" or any abbreviation thereof, but may use "club", "league", "association", "services", "committee", "fund", "society", "foundation", ".....", a non-profit mutual corporation", or any name of like import.

Sec. 42. Section 123, chapter 35, Laws of 1982 and RCW 24.06.047 are each amended to read as follows:

Any corporation, organized and existing under the laws of any state or territory of the United States may register its corporate name under this title, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state, or the name of any foreign corporation authorized to transact business in this state, the name of any domestic or foreign limited partnership on file with the secretary, or any corporate name reserved or registered under this title.

Such registration shall be made by:

(1) Filing with the secretary of state: (a) An application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or territory under the laws of which it is incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged, and (b) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the secretary of state of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(2) Paying to the secretary of state a registration fee in the amount of one dollar for each month, or fraction thereof, between the date of filing the application and December thirty-first of the calendar year in which the application is filed.

The registration shall be effective until the close of the calendar year in which the application for registration is filed.

Passed the House March 16, 1987.

Passed the Senate April 3, 1987.

Approved by the Governor April 15, 1987.

Filed in Office of Secretary of State April 15, 1987.

CHAPTER 56

[Substitute Senate Bill No. 5371]
RESTRICTIVE COVENANTS

AN ACT Relating to restrictive covenants; reenacting and amending RCW 36.18.020; adding a new section to chapter 49.60 RCW; and creating a new section.