

CHAPTER 7-DISSOLUTION

701. DISSOLUTION

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

- (a) the latest date on which the limited liability company is to dissolve, if any, provided in the articles of organization;
- (b) at the time or upon the happening of events specified in the operating agreement;
- (c) subject to any requirement in the operating agreement requiring approval by any greater or lesser percentage in interest of the members or class or classes or group or groups of members, the vote or written consent of at least two-thirds in interest of the members;
- (d) the bankruptcy, death, dissolution, expulsion, incapacity or withdrawal of any member or only the member, members or class or classes or group or groups of members specified in the operating agreement, or the occurrence of any such event specified in the operating agreement, or any other event that terminates the continued membership of any member, or only such member, members or class or classes or group or groups of members specified in the operating agreement, unless within one hundred eighty days after such event the limited liability company is continued either:
 - (1) by the vote or written consent of the percentage in interest of the members or class or classes or group or groups of members stated in the operating agreement; or
 - (2) if no such percentage is specified in the operating agreement, by the vote or written consent of a majority in interest of all of the remaining members; or
 - (3) pursuant to a right to continue stated in the operating agreement; or
- (e) the entry of a decree of judicial dissolution under section seven hundred two of this Code.

702. JUDICIAL DISSOLUTION

On application by or for a member, the court may decree dissolution of a limited liability company whenever it is not reasonably practicable to carry on the business in conformity with the articles of organization or operating agreement. A certified copy of the order of dissolution shall be filed by the applicant with the Nation Clerk within thirty days of its issuance.

703. WINDING UP

- (a) In the event of a dissolution of a limited liability company, except for a dissolution pursuant to section seven hundred two of this Code, unless otherwise provided in the operating agreement, the members may wind up the limited liability company's affairs. Upon cause shown, the court may wind up the limited liability company's affairs upon application of any member, or his or her legal representative or assignee, and in connection therewith may appoint a receiver or liquidating trustee.
- (b) Upon dissolution of a limited liability company, the persons winding up the limited liability company's affairs may, in the name of and for and on behalf of the limited liability company, prosecute and defend suits, whether civil, criminal or administrative, settle and close the limited liability company's business, dispose of and convey the limited liability company's property, discharge the limited liability company's liabilities and distribute to the members any remaining assets of the limited liability company, all without affecting the liability of members including members participating in the winding up of the limited liability company's affairs.

704. DISTRIBUTION OF ASSETS

Upon the winding up of a limited liability company, the assets shall be distributed as follows:

- (a) to creditors, including members who are creditors, to the extent permitted by law, in satisfaction of liabilities of the limited liability company, whether by payment or by establishment of adequate reserves, other than liabilities for distributions to members and former members under section five hundred seven or section five hundred nine of this Code;
- (b) except as provided in the operating agreement, to members and former members in satisfaction of liabilities for distribution under section five hundred seven or section five hundred nine of this Code; and
- (c) except as provided in the operating agreement, to members first for the return of their contributions, to the extent not previously returned, and second respecting their membership interests, in the proportions in which the members share in distributions in accordance with section five hundred four of this Code.

705. ARTICLES OF DISSOLUTION

- (a) Within ninety days following the dissolution and the commencement of winding up the limited liability company, or at any other time there are no members, articles of dissolution shall be filed with the Nation Clerk entitled "Articles of dissolution....(name of limited liability company) under section seven hundred five of the Limited Liability Company Code" and executed in accordance with section two hundred seven of this Code. The articles of dissolution shall set forth:

- (1) the name of the limited liability company; and if it has been changed, the name under which it was formed;
 - (2) the date of filing of its articles of organization and each subsequent amendment thereto or restatement thereof;
 - (3) the event giving rise to the filing of the articles of dissolution; and
 - (4) any other information the persons filing the articles determine.
- (b) The cancellation of the articles of organization is effective at the time of filing of the articles of dissolution.
- (c) The cancellation of the articles of organization shall not affect the liability of the members during the period of winding up and termination of the limited liability company.