322.16 WITHDRAWAL OR REDUCTION OF LIMITED PARTNER'S CONTRIBUTION.

Subdivision 1. **Return of contribution.** A limited partner shall not receive from a general partner or out of partnership property any part of contribution until:

(1) all liabilities of the partnership, except liabilities to general partners and to limited partners on account of their contributions, have been paid or there remains property of the partnership sufficient to pay them;

(2) the consent of all members is had, unless the return of the contribution may be rightfully demanded under the provisions of subdivision 2; and

(3) the certificate is canceled or so amended as to set forth the withdrawal or reduction.

Subd. 2. **Demand.** Subject to the provisions of subdivision 1, a limited partner may rightfully demand the return of contribution:

(1) on the dissolution of a partnership, or

(2) when the date specified in the certificate for its return has arrived, or

(3) after giving six months' notice, in writing, to all other members, if no time is specified in the certificate either for the return of the contribution or for the dissolution of the partnership.

Subd. 3. **Cash received in return for contribution.** In the absence of any statement in the certificate to the contrary or the consent of all members, a limited partner, irrespective of the nature of contribution, has only the right to demand and receive cash in return for contribution.

Subd. 4. **Right to dissolution.** A limited partner may have the partnership dissolved and its affairs wound up:

(1) upon rightfully but unsuccessfully demanding the return of contribution, or

(2) when the other liabilities of the partnership have not been paid, or the partnership property is insufficient for their payment, as required by subdivision 1, clause (1), and the limited partner would otherwise be entitled to the return of contribution.

History: *(7368) 1919 c 498 s 16; 1986 c 444*