

## SENATE AMENDMENT 2 TO SB274.

adding a new Section 10 to read as follows:

"SECTION 10. Subsection (c) of Arkansas Code § 26-32-802 is amended to read as follows:

\_(c) Unless an operating agreement provides in writing that a member has no power to withdraw by voluntary act from a limited liability company, the member may do so at any time by giving thirty (30) days' written notice to the other members, or such other notice as is provided for in an operating agreement. If the member has the power to withdraw but the withdrawal is a breach of an operating agreement, or the withdrawal occurs as a result of otherwise wrongful conduct of the member, the limited liability company may recover from the withdrawing member damages for breach of the operating agreement or as a result of the wrongful conduct, including the reasonable costs of obtaining replacement of the services the withdrawn member was obligated to perform and may offset the damages against the amount otherwise distributable to him, in addition to pursuing any remedies provided for in an operating agreement or otherwise available under applicable law. Unless otherwise provided in an operating agreement, in the case of a limited liability company for a definite term or particular undertaking, ~~a withdrawal by a member may not withdraw from the limited liability company before the expiration of that term or undertaking is a breach of the operating agreement.~~\_"

AND

by appropriately renumbering subsequent sections

AND

by adding to the end of line 21 on page 21 the following:

"Notwithstanding the foregoing, SECTION 10 of this act (§ 4-32-802(c)) shall only apply to limited liability companies in existence on the effective date of this act in the event an election is made with the Secretary of State to have this provision apply; otherwise, the original § 4-32-802 (c) shall apply to limited liability companies existing on the effective date of this act."