



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 2982

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2982 by replacing  
3 everything after the enacting clause with the following:

4 "ARTICLE 1  
5 GENERAL PROVISIONS

6 Section 0.01. Short title. This Act may be cited as the  
7 Uniform Limited Partnership Act (2001).

8 Section 101. Short title. (See Section 0.01 for short  
9 title.)

10 Section 102. Definitions. In this Act:

11 (1) "Anniversary" means that day every year exactly one  
12 or more years after: (i) the date the certificate of  
13 limited partnership was filed by the Office of the  
14 Secretary of State, in the case of a limited partnership;  
15 or (ii) the date the certificate of authority to transact  
16 business was filed by the Office of the Secretary of State,  
17 in the case of a foreign limited partnership.

18 (2) "Anniversary month" means the month in which the  
19 anniversary of the limited partnership or foreign limited  
20 partnership occurs.

21 (3) "Certificate of limited partnership" means the  
22 certificate required by Section 201. The term includes the

1 certificate as amended or restated.

2 (4) "Contribution", except in the phrase "right of  
3 contribution", means any benefit provided by a person to a  
4 limited partnership in order to become a partner or in the  
5 person's capacity as a partner.

6 (5) "Debtor in bankruptcy" means a person that is the  
7 subject of:

8 (A) an order for relief under Title 11 of the  
9 United States Code or a comparable order under a  
10 successor statute of general application; or

11 (B) a comparable order under federal, state, or  
12 foreign law governing insolvency.

13 (6) "Designated office" means:

14 (A) with respect to a limited partnership, the  
15 office that the limited partnership is required to  
16 designate and maintain under Section 114; and

17 (B) with respect to a foreign limited partnership,  
18 its principal office.

19 (7) "Distribution" means a transfer of money or other  
20 property from a limited partnership to a partner in the  
21 partner's capacity as a partner or to a transferee on  
22 account of a transferable interest owned by the transferee.

23 (8) "Foreign limited liability limited partnership"  
24 means a foreign limited partnership whose general partners  
25 have limited liability for the obligations of the foreign  
26 limited partnership under a provision similar to Section  
27 404(c).

28 (9) "Foreign limited partnership" means a partnership  
29 formed under the laws of a jurisdiction other than this  
30 State and required by those laws to have one or more  
31 general partners and one or more limited partners. The term  
32 includes a foreign limited liability limited partnership.

33 (10) "General partner" means:

34 (A) with respect to a limited partnership, a person

1           that:

2                   (i) becomes a general partner under Section  
3                   401; or

4                   (ii) was a general partner in a limited  
5                   partnership when the limited partnership became  
6                   subject to this Act under Section 1206(a) or (b);  
7                   and

8                   (B) with respect to a foreign limited partnership,  
9                   a person that has rights, powers, and obligations  
10                   similar to those of a general partner in a limited  
11                   partnership.

12           (11) "Limited liability limited partnership", except  
13           in the phrase "foreign limited liability limited  
14           partnership", means a limited partnership whose  
15           certificate of limited partnership states that the limited  
16           partnership is a limited liability limited partnership.

17           (12) "Limited partner" means:

18                   (A) with respect to a limited partnership, a person  
19                   that:

20                           (i) becomes a limited partner under Section  
21                           301; or

22                           (ii) was a limited partner in a limited  
23                           partnership when the limited partnership became  
24                           subject to this Act under Section 1206(a) or (b);  
25                           and

26                   (B) with respect to a foreign limited partnership,  
27                   a person that has rights, powers, and obligations  
28                   similar to those of a limited partner in a limited  
29                   partnership.

30           (13) "Limited partnership", except in the phrases  
31           "foreign limited partnership" and "foreign limited  
32           liability limited partnership", means an entity, having  
33           one or more general partners and one or more limited  
34           partners, which is formed under this Act by two or more

1 persons or becomes subject to this Act under Article 11 or  
2 Section 1206(a) or (b). The term includes a limited  
3 liability limited partnership.

4 (14) "Partner" means a limited partner or general  
5 partner.

6 (15) "Partnership agreement" means the partners'  
7 agreement, whether oral, implied, in a record, or in any  
8 combination, concerning the limited partnership. The term  
9 includes the agreement as amended.

10 (16) "Person" means an individual, corporation,  
11 business trust, estate, trust, partnership, limited  
12 liability company, association, joint venture, government;  
13 governmental subdivision, agency, or instrumentality;  
14 public corporation, or any other legal or commercial  
15 entity.

16 (17) "Person dissociated as a general partner" means a  
17 person dissociated as a general partner of a limited  
18 partnership.

19 (18) "Principal office" means the office where the  
20 principal executive office of a limited partnership or  
21 foreign limited partnership is located, whether or not the  
22 office is located in this State.

23 (19) "Record" means information that is inscribed on a  
24 tangible medium or that is stored in an electronic or other  
25 medium and is retrievable in perceivable form.

26 (20) "Required information" means the information that  
27 a limited partnership is required to maintain under Section  
28 111.

29 (21) "Sign" means:

30 (A) to execute or adopt a tangible symbol with the  
31 present intent to authenticate a record; or

32 (B) to attach or logically associate an electronic  
33 symbol, sound, or process to or with a record with the  
34 present intent to authenticate the record.

1           (22) "State" means a State of the United States, the  
2           District of Columbia, Puerto Rico, the United States Virgin  
3           Islands, or any territory or insular possession subject to  
4           the jurisdiction of the United States.

5           (23) "Transfer" includes an assignment, conveyance,  
6           deed, bill of sale, lease, mortgage, security interest,  
7           encumbrance, gift, and transfer by operation of law.

8           (24) "Transferable interest" means a partner's right  
9           to receive distributions.

10          (25) "Transferee" means a person to which all or part  
11          of a transferable interest has been transferred, whether or  
12          not the transferor is a partner.

13          Section 103. Knowledge and notice.

14          (a) A person knows a fact if the person has actual  
15          knowledge of it.

16          (b) A person has notice of a fact if the person:

17               (1) knows of it;

18               (2) has received a notification of it;

19               (3) has reason to know it exists from all of the facts  
20          known to the person at the time in question; or

21               (4) has notice of it under subsection (c) or (d).

22          (c) A certificate of limited partnership on file in the  
23          Office of the Secretary of State is notice that the partnership  
24          is a limited partnership and the persons designated in the  
25          certificate as general partners are general partners. Except as  
26          otherwise provided in subsection (d), the certificate is not  
27          notice of any other fact.

28          (d) A person has notice of:

29               (1) another person's dissociation as a general  
30          partner, 90 days after the effective date of an amendment  
31          to the certificate of limited partnership which states that  
32          the other person has dissociated or 90 days after the  
33          effective date of a statement of dissociation pertaining to

1 the other person, whichever occurs first;

2 (2) a limited partnership's dissolution, 90 days after  
3 the effective date of an amendment to the certificate of  
4 limited partnership stating that the limited partnership  
5 is dissolved;

6 (3) a limited partnership's termination, 90 days after  
7 the effective date of a statement of termination;

8 (4) a limited partnership's conversion under Article  
9 11, 90 days after the effective date of the articles of  
10 conversion; or

11 (5) a merger under Article 11, 90 days after the  
12 effective date of the articles of merger.

13 (e) A person notifies or gives a notification to another  
14 person by taking steps reasonably required to inform the other  
15 person in ordinary course, whether or not the other person  
16 learns of it.

17 (f) A person receives a notification when the notification:

18 (1) comes to the person's attention; or

19 (2) is delivered at the person's place of business or  
20 at any other place held out by the person as a place for  
21 receiving communications.

22 (g) Except as otherwise provided in subsection (h), a  
23 person other than an individual knows, has notice, or receives  
24 a notification of a fact for purposes of a particular  
25 transaction when the individual conducting the transaction for  
26 the person knows, has notice, or receives a notification of the  
27 fact, or in any event when the fact would have been brought to  
28 the individual's attention if the person had exercised  
29 reasonable diligence. A person other than an individual  
30 exercises reasonable diligence if it maintains reasonable  
31 routines for communicating significant information to the  
32 individual conducting the transaction for the person and there  
33 is reasonable compliance with the routines. Reasonable  
34 diligence does not require an individual acting for the person

1 to communicate information unless the communication is part of  
2 the individual's regular duties or the individual has reason to  
3 know of the transaction and that the transaction would be  
4 materially affected by the information.

5 (h) A general partner's knowledge, notice, or receipt of a  
6 notification of a fact relating to the limited partnership is  
7 effective immediately as knowledge of, notice to, or receipt of  
8 a notification by the limited partnership, except in the case  
9 of a fraud on the limited partnership committed by or with the  
10 consent of the general partner. A limited partner's knowledge,  
11 notice, or receipt of a notification of a fact relating to the  
12 limited partnership is not effective as knowledge of, notice  
13 to, or receipt of a notification by the limited partnership.

14 Section 104. Nature, purpose, and duration of entity.

15 (a) A limited partnership is an entity distinct from its  
16 partners. A limited partnership is the same entity regardless  
17 of whether its certificate states that the limited partnership  
18 is a limited liability limited partnership.

19 (b) A limited partnership may be organized under this Act  
20 for any lawful purpose and may carry on any business that a  
21 partnership without limited partners may carry on except  
22 banking, the operation of railroads, and insurance unless  
23 carried on as a business of a limited syndicate authorized and  
24 regulated by the Director of Insurance under Article V 1/2 of  
25 the Illinois Insurance Code or for the purpose of carrying on  
26 business as a member of a group including incorporated and  
27 individual unincorporated underwriters when the Director of  
28 Insurance finds that the group meets the requirements of  
29 subsection (3) of Section 86 of the Illinois Insurance Code and  
30 the limited partnership, if insolvent, is subject to  
31 liquidation by the Director of Insurance under Article XIII of  
32 the Illinois Insurance Code.

33 (c) A limited partnership has a perpetual duration.

1           Section 105. Powers. A limited partnership has the powers  
2 to do all things necessary or convenient to carry on its  
3 activities, including the power to sue, be sued, and defend in  
4 its own name and to maintain an action against a partner for  
5 harm caused to the limited partnership by a breach of the  
6 partnership agreement or violation of a duty to the  
7 partnership.

8           Section 106. Governing law. The law of this State governs  
9 relations among the partners of a limited partnership and  
10 between the partners and the limited partnership and the  
11 liability of partners as partners for an obligation of the  
12 limited partnership.

13           Section 107. Supplemental principles of law; rate of  
14 interest.

15           (a) Unless displaced by particular provisions of this Act,  
16 the principles of law and equity supplement this Act.

17           (b) If an obligation to pay interest arises under this Act  
18 and the rate is not specified, the rate is that specified in  
19 Section 4 of the Interest Act.

20           Section 108. Name.

21           (a) The name of a limited partnership may contain the name  
22 of any partner.

23           (b) The name of a limited partnership that is not a limited  
24 liability limited partnership must contain the phrase "limited  
25 partnership" or the abbreviation "L.P." or "LP" and may not  
26 contain the phrase "limited liability limited partnership" or  
27 the abbreviation "LLLLP" or "L.L.L.P.".

28           (c) The name of a limited liability limited partnership  
29 must contain the phrase "limited liability limited  
30 partnership" or the abbreviation "LLLLP" or "L.L.L.P." and must



1 not contain the abbreviation "L.P." or "LP".

2 (d) Unless authorized by subsection (e), the name of a  
3 limited partnership must be distinguishable in the records of  
4 the Secretary of State from:

5 (1) the name of each person other than an individual  
6 incorporated, organized, or authorized to transact  
7 business in this State; and

8 (2) each name reserved under Section 109, assumed name  
9 under Section 108.5 or other Illinois law allowing the  
10 reservation or registration of business names, including  
11 fictitious or assumed name provisions, except for the  
12 Assumed Business Name Act, 805 ILCS 405/.

13 (e) A limited partnership may apply to the Secretary of  
14 State for authorization to use a name that does not comply with  
15 subsection (d). The Secretary of State shall authorize use of  
16 the name applied for if, as to each conflicting name:

17 (1) the present user, registrant, or owner of the  
18 conflicting name consents in a signed record to the use and  
19 submits an undertaking in a form satisfactory to the  
20 Secretary of State to change the conflicting name to a name  
21 that complies with subsection (d) and is distinguishable in  
22 the records of the Secretary of State from the name applied  
23 for;

24 (2) the applicant delivers to the Secretary of State a  
25 certified copy of the final judgment of a court of  
26 competent jurisdiction establishing the applicant's right  
27 to use in this State the name applied for; or

28 (3) the applicant delivers to the Secretary of State  
29 proof satisfactory to the Secretary of State that the  
30 present user, registrant, or owner of the conflicting name:

31 (A) has merged into the applicant;

32 (B) has been converted into the applicant; or

33 (C) has transferred substantially all of its  
34 assets, including the conflicting name, to the

1 applicant.

2 (f) Subject to Section 905, this Section applies to any  
3 foreign limited partnership transacting business in this  
4 State, having a certificate of authority to transact business  
5 in this State, or applying for a certificate of authority.

6 (g) Nothing in this Section shall:

7 (1) require any limited partnership existing under the  
8 "Uniform Limited Partnership Act", filed June 28, 1917, as  
9 amended, to modify or otherwise change its name; or

10 (2) abrogate or limit the common law or statutory law  
11 of unfair competition or unfair trade practices, nor  
12 derogate from the common law or principles of equity or the  
13 statutes of this State or of the United States with respect  
14 to the right to acquire and protect copyrights, trade  
15 names, trademarks, service marks, service names, or any  
16 other right to the exclusive use of names or symbols.

17 Section 108.5. Assumed name.

18 (a) A limited partnership or a foreign limited partnership  
19 admitted to transact business in this State may elect to adopt  
20 an assumed name that complies with the requirements of Section  
21 108 of this Act except the requirement that the name contain  
22 the words "limited partnership", "limited liability limited  
23 partnership", or the abbreviation "L.P.", "LP", "LLLP" or  
24 "L.L.L.P."

25 (b) As used in this Act, "assumed name" means any name  
26 other than the true name of a limited partnership or the name  
27 under which a foreign limited partnership is admitted to  
28 transact business in this State, except that the following do  
29 not constitute the use of an assumed name under this Act:

30 (1) The identification by a limited partnership or  
31 foreign limited partnership of its business with a  
32 trademark or service mark of which it is the owner or  
33 licensed user.

1           (2) The use of a name of a division, not constituting a  
2           separate limited partnership and not containing the words  
3           "limited partnership" or an abbreviation of those words,  
4           provided that the limited partnership also clearly  
5           discloses its true name.

6           (c) Before transacting any business in this State under an  
7           assumed name or names, the limited partnership or foreign  
8           limited partnership shall, for each assumed name, execute and  
9           file in accordance with Section 108 or 204 of this Act, as  
10          applicable, an application setting forth:

11           (1) the true name of the limited partnership or the  
12          name under which the foreign limited partnership is  
13          admitted to transact business in this State;

14           (2) the State or other jurisdiction under the laws of  
15          which it is formed;

16           (3) that it intends to transact business under an  
17          assumed name; and

18           (4) the assumed name which it proposes to use.

19          (d) The right to use an assumed name shall be effective  
20          from the date of filing by the Secretary of State until the  
21          first day of the anniversary month of the limited partnership  
22          or foreign limited partnership that falls within the next  
23          calendar year evenly divisible by 5, however, if an application  
24          is filed within the 3 months immediately preceding the  
25          anniversary month of a limited partnership or foreign limited  
26          partnership that falls within a calendar year evenly divisible  
27          by 5, the right to use the assumed name shall be effective  
28          until the first day of the anniversary month of the limited  
29          partnership or foreign limited partnership that falls within  
30          the next succeeding year evenly divisible by 5.

31          (e) A limited partnership or foreign limited partnership  
32          may renew the right to use its assumed name or names, if any,  
33          within the 60 days preceding the expiration of such right, for  
34          a period of 5 years, by making an election to do so on a form

1 prescribed by the Secretary of State and by paying the renewal  
2 fee as prescribed by this Act.

3 (f) Any limited partnership or foreign limited partnership  
4 may change or cancel any or all of its assumed names by  
5 executing and filing, in duplicate, an application setting  
6 forth:

7 (1) the true name of the limited partnership or the  
8 name under which the foreign limited partnership is  
9 admitted to transact business in this State;

10 (2) the state or country under the laws of which it is  
11 organized;

12 (3) a statement that it intends to cease transacting  
13 business under an assumed name by changing or cancelling  
14 it;

15 (4) the assumed name to be changed or cancelled;

16 (5) the assumed name which the limited partnership or  
17 foreign limited partnership proposes to use, if it is to be  
18 changed.

19 (g) Upon the filing of an application to change an assumed  
20 name, the limited partnership or foreign limited partnership  
21 shall have the right to use such assumed name for the period  
22 authorized by subsection (d) of this Section.

23 (h) The right to use an assumed name shall be cancelled by  
24 the Secretary of State:

25 (1) if the limited partnership or foreign limited  
26 partnership fails to renew an assumed name;

27 (2) if the limited partnership or foreign limited  
28 partnership has filed an application to change or cancel an  
29 assumed name;

30 (3) if a limited partnership's certificate of limited  
31 partnership or certificate to be governed by this Act has  
32 been cancelled;

33 (4) if a foreign limited partnership's application for  
34 admission to transact business has been cancelled.

1 (i) Any limited partnership or foreign limited partnership  
2 carrying on, conducting or transacting business under an  
3 assumed name which shall fail to comply with the provisions of  
4 this Section shall be subject to the penalty provisions in  
5 Section 5 of "An Act in relation to the use of an assumed name  
6 in the conduct or transaction of business in this State",  
7 approved July 17, 1941, as amended.

8 (j) A foreign limited partnership that applies for and  
9 receives a certificate of authority under Section 905, is  
10 deemed to have complied with this Section in full.

11 Section 109. Reservation of name.

12 (a) The exclusive right to the use of a name that complies  
13 with Section 108 may be reserved by:

14 (1) a person intending to organize a limited  
15 partnership under this Act and to adopt the name;

16 (2) a limited partnership or a foreign limited  
17 partnership authorized to transact business in this State  
18 intending to adopt the name;

19 (3) a foreign limited partnership intending to obtain a  
20 certificate of authority to transact business in this State  
21 and adopt the name;

22 (4) a person intending to organize a foreign limited  
23 partnership and intending to have it obtain a certificate  
24 of authority to transact business in this State and adopt  
25 the name;

26 (5) a foreign limited partnership formed under the  
27 name; or

28 (6) a foreign limited partnership formed under a name  
29 that does not comply with Section 108(b) or (c), but the  
30 name reserved under this paragraph may differ from the  
31 foreign limited partnership's name only to the extent  
32 necessary to comply with Section 108(b) and (c).

33 (b) A person may apply to reserve a name under subsection

1 (a) by delivering to the Secretary of State for filing an  
2 application that states the name to be reserved and the  
3 paragraph of subsection (a) which applies. If the Secretary of  
4 State finds that the name is available for use by the  
5 applicant, the Secretary of State shall file a statement of  
6 name reservation and thereby reserve the name for the exclusive  
7 use of the applicant for 120 days.

8 (c) An applicant that has reserved a name pursuant to  
9 subsection (b) may reserve the same name for additional 120-day  
10 periods. A person having a current reservation for a name may  
11 not apply for another 120-day period for the same name until 90  
12 days have elapsed in the current reservation.

13 (d) A person that has reserved a name under this Section  
14 may deliver to the Secretary of State for filing a notice of  
15 transfer that states the reserved name, the name and street and  
16 mailing address of some other person to which the reservation  
17 is to be transferred, and the paragraph of subsection (a) which  
18 applies to the other person. Subject to Section 206(c), the  
19 transfer is effective when the Secretary of State files the  
20 notice of transfer.

21 Section 110. Effect of partnership agreement; nonwaivable  
22 provisions.

23 (a) Except as otherwise provided in subsection (b), the  
24 partnership agreement governs relations among the partners and  
25 between the partners and the partnership. To the extent the  
26 partnership agreement does not otherwise provide, this Act  
27 governs relations among the partners and between the partners  
28 and the partnership.

29 (b) A partnership agreement may not:

30 (1) vary a limited partnership's power under Section  
31 105 to sue, be sued, and defend in its own name;

32 (2) vary the law applicable to a limited partnership  
33 under Section 106;

1 (3) vary the requirements of Section 204;

2 (4) vary the information required under Section 111 or  
3 unreasonably restrict the right to information under  
4 Sections 304 or 407, but the partnership agreement may  
5 impose reasonable restrictions on the availability and use  
6 of information obtained under those Sections and may define  
7 appropriate remedies, including liquidated damages, for a  
8 breach of any reasonable restriction on use;

9 (5) eliminate or reduce fiduciary duties, but the  
10 partnership agreement may:

11 (A) identify specific types or categories of  
12 activities that do not violate the duties, if not  
13 manifestly unreasonable; and

14 (B) specify the number or percentage of partners  
15 which may authorize or ratify, after full disclosure to  
16 all partners of all material facts, a specific act or  
17 transaction that otherwise would violate these duties;

18 (6) eliminate the obligation of good faith and fair  
19 dealing under Sections 305(b) and 408(d), but the  
20 partnership agreement may prescribe the standards by which  
21 the performance of the obligation is to be measured, if the  
22 standards are not manifestly unreasonable;

23 (7) vary the power of a person to dissociate as a  
24 general partner under Section 604(a) except to require that  
25 the notice under Section 603(1) be in a record;

26 (8) vary the power of a court to decree dissolution in  
27 the circumstances specified in Section 802;

28 (9) vary the requirement to wind up the partnership's  
29 business as specified in Section 803;

30 (10) unreasonably restrict the right to maintain an  
31 action under Article 10;

32 (11) restrict the right of a partner under Section  
33 1110(a) to approve a conversion or merger or the right of a  
34 general partner under Section 1110(b) to consent to an

1 amendment to the certificate of limited partnership which  
2 deletes a statement that the limited partnership is a  
3 limited liability limited partnership; or

4 (12) restrict rights under this Act of a person other  
5 than a partner or a transferee.

6 Section 111. Required information. A limited partnership  
7 shall maintain at its designated office the following  
8 information:

9 (1) a current list showing the full name and last known  
10 street and mailing address of each partner, separately  
11 identifying the general partners, in alphabetical order,  
12 and the limited partners, in alphabetical order;

13 (2) a copy of the initial certificate of limited  
14 partnership and all amendments to and restatements of the  
15 certificate, together with signed copies of any powers of  
16 attorney under which any certificate, amendment, or  
17 restatement has been signed;

18 (3) a copy of any filed articles of conversion or  
19 merger;

20 (4) a copy of the limited partnership's federal, state,  
21 and local income tax returns and reports, if any, for the  
22 three most recent years;

23 (5) a copy of any partnership agreement made in a  
24 record and any amendment made in a record to any  
25 partnership agreement;

26 (6) a copy of any financial statement of the limited  
27 partnership for the three most recent years;

28 (7) a copy of the three most recent annual reports  
29 delivered by the limited partnership to the Secretary of  
30 State pursuant to Section 210;

31 (8) a copy of any record made by the limited  
32 partnership during the past three years of any consent  
33 given by or vote taken of any partner pursuant to this Act



1 or the partnership agreement; and

2 (9) unless contained in a partnership agreement made in  
3 a record, a record stating:

4 (A) the amount of cash, and a description and  
5 statement of the agreed value of the other benefits,  
6 contributed and agreed to be contributed by each  
7 partner;

8 (B) the times at which, or events on the happening  
9 of which, any additional contributions agreed to be  
10 made by each partner are to be made;

11 (C) for any person that is both a general partner  
12 and a limited partner, a specification of what  
13 transferable interest the person owns in each  
14 capacity; and

15 (D) any events upon the happening of which the  
16 limited partnership is to be dissolved and its  
17 activities wound up.

18 Section 112. Business transactions of partner with  
19 partnership. A partner may lend money to and transact other  
20 business with the limited partnership and has the same rights  
21 and obligations with respect to the loan or other transaction  
22 as a person that is not a partner.

23 Section 113. Dual capacity. A person may be both a general  
24 partner and a limited partner. A person that is both a general  
25 and limited partner has the rights, powers, duties, and  
26 obligations provided by this Act and the partnership agreement  
27 in each of those capacities. When the person acts as a general  
28 partner, the person is subject to the obligations, duties and  
29 restrictions under this Act and the partnership agreement for  
30 general partners. When the person acts as a limited partner,  
31 the person is subject to the obligations, duties and  
32 restrictions under this Act and the partnership agreement for

1 limited partners.

2 Section 114. Office and agent for service of process.

3 (a) A limited partnership shall designate and continuously  
4 maintain in this State:

5 (1) an office, which need not be a place of its  
6 activity in this State; and

7 (2) an agent for service of process.

8 (b) A foreign limited partnership shall designate and  
9 continuously maintain in this State an agent for service of  
10 process.

11 (c) An agent for service of process of a limited  
12 partnership or foreign limited partnership must be an  
13 individual who is a resident of this State or other person  
14 authorized to do business in this State.

15 Section 115. Change of designated office or agent for  
16 service of process.

17 (a) In order to change its designated office, agent for  
18 service of process, or the address of its agent for service of  
19 process, a limited partnership or a foreign limited partnership  
20 may deliver to the Secretary of State for filing a statement of  
21 change containing:

22 (1) the name of the limited partnership or foreign  
23 limited partnership;

24 (2) the street and mailing address of its current  
25 designated office;

26 (3) if the current designated office is to be changed,  
27 the street and mailing address of the new designated  
28 office;

29 (4) the name and street and mailing address of its  
30 current agent for service of process; and

31 (5) if the current agent for service of process or an  
32 address of the agent is to be changed, the new information.

1           (b) Subject to Section 206(c), a statement of change is  
2 effective when filed by the Secretary of State.

3           Section 116. Resignation of agent for service of process.

4           (a) In order to resign as an agent for service of process  
5 of a limited partnership or foreign limited partnership, the  
6 agent must deliver to the Secretary of State for filing a  
7 statement of resignation containing the name of the limited  
8 partnership or foreign limited partnership.

9           (b) After receiving a statement of resignation, the  
10 Secretary of State shall file it and mail a copy to the  
11 designated office of the limited partnership or foreign limited  
12 partnership and another copy to the principal office if the  
13 address of the office appears in the records of the Secretary  
14 of State and is different from the address of the designated  
15 office.

16           (c) An agency for service of process is terminated on the  
17 31st day after the Secretary of State files the statement of  
18 resignation.

19           Section 117. Service of process.

20           (a) An agent for service of process appointed by a limited  
21 partnership or foreign limited partnership is an agent of the  
22 limited partnership or foreign limited partnership for service  
23 of any process, notice, or demand required or permitted by law  
24 to be served upon the limited partnership or foreign limited  
25 partnership.

26           (b) If a limited partnership or foreign limited partnership  
27 does not appoint or maintain an agent for service of process in  
28 this State or the agent for service of process cannot with  
29 reasonable diligence be found at the agent's address, the  
30 Secretary of State is an agent of the limited partnership or  
31 foreign limited partnership upon whom process, notice, or  
32 demand may be served.

1 (c) Service of any process, notice, or demand on the  
2 Secretary of State may be made by delivering to and leaving  
3 with the Secretary of State duplicate copies of the process,  
4 notice, or demand. If a process, notice, or demand is served on  
5 the Secretary of State, the Secretary of State shall forward  
6 one of the copies by registered or certified mail, return  
7 receipt requested, to the limited partnership or foreign  
8 limited partnership at its designated office.

9 (d) Service is effected under subsection (c) at the  
10 earliest of:

11 (1) the date the limited partnership or foreign limited  
12 partnership receives the process, notice, or demand;

13 (2) the date shown on the return receipt, if signed on  
14 behalf of the limited partnership or foreign limited  
15 partnership; or

16 (3) five days after the process, notice, or demand is  
17 deposited in the mail, if mailed postpaid and correctly  
18 addressed.

19 (e) The Secretary of State shall keep a record of each  
20 process, notice, and demand served pursuant to this Section and  
21 record the time of, and the action taken regarding, the  
22 service.

23 (f) This Section does not affect the right to serve  
24 process, notice, or demand in any other manner provided by law.

25 Section 118. Consent and proxies of parties. Action  
26 requiring the consent of partners under this Act may be taken  
27 without a meeting, and a partner may appoint a proxy to consent  
28 or otherwise act for the partner by signing an appointment  
29 record, either personally or by the partner's attorney in fact.

30 Section 119. Locale misrepresentation.

31 (a) A person shall not advertise or cause to be listed in a  
32 telephone directory an assumed or fictitious business name that

1 intentionally misrepresents where the business is actually  
2 located or operating or falsely states that the business is  
3 located or operating in the area covered by the telephone  
4 directory. This subsection (a) does not apply to a telephone  
5 service provider or to the publisher or distributor of a  
6 telephone service directory, unless the conduct prescribed in  
7 this subsection (a) is on behalf of that telephone service  
8 provider or that publisher or distributor.

9 (b) This Section does not apply to any foreign limited  
10 partnership that has gross annual revenues in excess of  
11 \$100,000,000.

12 (c) A foreign limited partnership that violates this  
13 Section is guilty of a petty offense and must be fined not less  
14 than \$501 and not more than \$1,000. A foreign limited  
15 partnership is guilty of an additional offense for each  
16 additional day in violation of this Section.

17 ARTICLE 2

18 FORMATION; CERTIFICATE OF

19 LIMITED PARTNERSHIP AND OTHER FILINGS

20 Section 201. Formation of limited partnership; certificate  
21 of limited partnership.

22 (a) In order for a limited partnership to be formed, a  
23 certificate of limited partnership must be delivered to the  
24 Secretary of State for filing. The certificate must state:

25 (1) the name of the limited partnership, which must  
26 comply with Section 108;

27 (2) the street and mailing address of the initial  
28 designated office and the name and street and mailing  
29 address of the initial agent for service of process;

30 (3) the name and the street and mailing address of each  
31 general partner;

32 (4) whether the limited partnership is a limited

1 liability limited partnership; and

2 (5) any additional information required by Article 11.

3 (b) A certificate of limited partnership may also contain  
4 any other matters but may not vary or otherwise affect the  
5 provisions specified in Section 110(b) in a manner inconsistent  
6 with that Section.

7 (c) If there has been substantial compliance with  
8 subsection (a), subject to Section 206(c) a limited partnership  
9 is formed when the Secretary of State files the certificate of  
10 limited partnership.

11 (d) Subject to subsection (b), if any provision of a  
12 partnership agreement is inconsistent with the filed  
13 certificate of limited partnership or with a filed statement of  
14 dissociation, termination, or change or filed articles of  
15 conversion or merger:

16 (1) the partnership agreement prevails as to partners  
17 and transferees; and

18 (2) the filed certificate of limited partnership,  
19 statement of dissociation, termination, or change or  
20 articles of conversion or merger prevail as to persons,  
21 other than partners and transferees, that reasonably rely  
22 on the filed record to their detriment.

23 Section 202. Amendment or restatement of certification.

24 (a) In order to amend its certificate of limited  
25 partnership, a limited partnership must deliver to the  
26 Secretary of State for filing an amendment or, pursuant to  
27 Article 11, articles of merger stating:

28 (1) the name of the limited partnership;

29 (2) the date of filing of its initial certificate; and

30 (3) the changes the amendment makes to the certificate  
31 as most recently amended or restated.

32 (b) A limited partnership shall promptly deliver to the  
33 Secretary of State for filing an amendment to a certificate of

1 limited partnership to reflect:

2 (1) the admission of a new general partner;

3 (2) the dissociation of a person as a general partner;

4 or

5 (3) the appointment of a person to wind up the limited  
6 partnership's activities under Section 803(c) or (d).

7 (c) A general partner that knows that any information in a  
8 filed certificate of limited partnership was false when the  
9 certificate was filed or has become false due to changed  
10 circumstances shall promptly:

11 (1) cause the certificate to be amended; or

12 (2) if appropriate, deliver to the Secretary of State  
13 for filing a statement of change pursuant to Section 115 or  
14 a statement of correction pursuant to Section 207.

15 (d) A certificate of limited partnership may be amended at  
16 any time for any other proper purpose as determined by the  
17 limited partnership.

18 (e) A restated certificate of limited partnership may be  
19 delivered to the Secretary of State for filing in the same  
20 manner as an amendment.

21 (f) Subject to Section 206(c), an amendment or restated  
22 certificate is effective when filed by the Secretary of State.

23 Section 203. Statement of termination. A dissolved limited  
24 partnership that has completed winding up may deliver to the  
25 Secretary of State for filing a statement of termination that  
26 states:

27 (1) the name of the limited partnership;

28 (2) the date of filing of its initial certificate of  
29 limited partnership; and

30 (3) any other information as determined by the general  
31 partners filing the statement or by a person appointed  
32 pursuant to Section 803(c) or (d).

1 Section 204. Signing of records.

2 (a) Each record delivered to the Secretary of State for  
3 filing pursuant to this Act must be signed in the following  
4 manner:

5 (1) An initial certificate of limited partnership must  
6 be signed by all general partners listed in the  
7 certificate.

8 (2) An amendment adding or deleting a statement that  
9 the limited partnership is a limited liability limited  
10 partnership must be signed by all general partners listed  
11 in the certificate.

12 (3) An amendment designating as general partner a  
13 person admitted under Section 801(3)(B) following the  
14 dissociation of a limited partnership's last general  
15 partner must be signed by that person.

16 (4) An amendment required by Section 803(c) following  
17 the appointment of a person to wind up the dissolved  
18 limited partnership's activities must be signed by that  
19 person.

20 (5) Any other amendment must be signed by:

21 (A) at least one general partner listed in the  
22 certificate;

23 (B) each other person designated in the amendment  
24 as a new general partner; and

25 (C) each person that the amendment indicates has  
26 dissociated as a general partner, unless:

27 (i) the person is deceased or a guardian or  
28 general conservator has been appointed for the  
29 person and the amendment so states; or

30 (ii) the person has previously delivered to  
31 the Secretary of State for filing a statement of  
32 dissociation.

33 (6) A restated certificate of limited partnership must  
34 be signed by at least one general partner listed in the



1 certificate, and, to the extent the restated certificate  
2 effects a change under any other paragraph of this  
3 subsection, the certificate must be signed in a manner that  
4 satisfies that paragraph.

5 (7) A statement of termination must be signed by all  
6 general partners listed in the certificate or, if the  
7 certificate of a dissolved limited partnership lists no  
8 general partners, by the person appointed pursuant to  
9 Section 803(c) or (d) to wind up the dissolved limited  
10 partnership's activities.

11 (8) Articles of conversion must be signed by each  
12 general partner listed in the certificate of limited  
13 partnership.

14 (9) Articles of merger must be signed as provided in  
15 Section 1108(a).

16 (10) Any other record delivered on behalf of a limited  
17 partnership to the Secretary of State for filing must be  
18 signed by at least one general partner listed in the  
19 certificate.

20 (11) A statement by a person pursuant to Section  
21 605(a)(4) stating that the person has dissociated as a  
22 general partner must be signed by that person.

23 (12) A statement of withdrawal by a person pursuant to  
24 Section 306 must be signed by that person.

25 (13) A record delivered on behalf of a foreign limited  
26 partnership to the Secretary of State for filing must be  
27 signed by at least one general partner of the foreign  
28 limited partnership.

29 (14) Any other record delivered on behalf of any person  
30 to the Secretary of State for filing must be signed by that  
31 person.

32 (b) Any person may sign by an attorney in fact any record  
33 to be filed pursuant to this Act.

1 Section 205. Signing and filing pursuant to judicial order.

2 (a) If a person required by this Act to sign a record or  
3 deliver a record to the Secretary of State for filing does not  
4 do so, any other person that is aggrieved may petition the  
5 circuit court to order:

6 (1) the person to sign the record;

7 (2) deliver the record to the Secretary of State for  
8 filing; or

9 (3) the Secretary of State to file the record unsigned.

10 (b) If the person aggrieved under subsection (a) is not the  
11 limited partnership or foreign limited partnership to which the  
12 record pertains, the aggrieved person shall make the limited  
13 partnership or foreign limited partnership a party to the  
14 action. A person aggrieved under subsection (a) may seek the  
15 remedies provided in subsection (a) in the same action in  
16 combination or in the alternative.

17 (c) A record filed unsigned pursuant to this Section is  
18 effective without being signed.

19 Section 206. Delivery to and filing of records by Secretary  
20 of State; effective time and date.

21 (a) A record authorized or required to be delivered to the  
22 Secretary of State for filing under this Act must be captioned  
23 to describe the record's purpose, be in a medium permitted by  
24 the Secretary of State, and be delivered to the Secretary of  
25 State. Unless the Secretary of State determines that a record  
26 does not comply with the filing requirements of this Act, and  
27 if all filing fees have been paid, the Secretary of State shall  
28 file the record and:

29 (1) for a statement of dissociation, send:

30 (A) a copy of the filed statement and a receipt for  
31 the fees to the person which the statement indicates  
32 has dissociated as a general partner; and

33 (B) a copy of the filed statement and receipt to

1 the limited partnership;

2 (2) for a statement of withdrawal, send:

3 (A) a copy of the filed statement and a receipt for  
4 the fees to the person on whose behalf the record was  
5 filed; and

6 (B) if the statement refers to an existing limited  
7 partnership, a copy of the filed statement and receipt  
8 to the limited partnership; and

9 (3) for all other records, send a copy of the filed  
10 record and a receipt for the fees to the person on whose  
11 behalf the record was filed.

12 (b) Upon request and payment of a fee, the Secretary of  
13 State shall send to the requester a certified copy of the  
14 requested record.

15 (c) Except as otherwise provided in Sections 116 and 207, a  
16 record delivered to the Secretary of State for filing under  
17 this Act may specify an effective time and a delayed effective  
18 date. Except as otherwise provided in this Act, a record filed  
19 by the Secretary of State is effective:

20 (1) if the record does not specify an effective time  
21 and does not specify a delayed effective date, on the date  
22 and at the time the record is filed as evidenced by the  
23 Secretary of State's endorsement of the date and time on  
24 the record;

25 (2) if the record specifies an effective time but not a  
26 delayed effective date, on the date the record is filed at  
27 the time specified in the record;

28 (3) if the record specifies a delayed effective date  
29 but not an effective time, at 12:01 a.m. on the earlier of:

30 (A) the specified date; or

31 (B) the 90th day after the record is filed; or

32 (4) if the record specifies an effective time and a  
33 delayed effective date, at the specified time on the  
34 earlier of:

- 1 (A) the specified date; or  
2 (B) the 90th day after the record is filed.

3 Section 207. Correcting filed record.

4 (a) A limited partnership or foreign limited partnership  
5 may deliver to the Secretary of State for filing a statement of  
6 correction to correct a record previously delivered by the  
7 limited partnership or foreign limited partnership to the  
8 Secretary of State and filed by the Secretary of State, if at  
9 the time of filing the record contained false or erroneous  
10 information or was defectively signed.

11 (b) A statement of correction may not state a delayed  
12 effective date and must:

13 (1) describe the record to be corrected, including its  
14 filing date, or attach a copy of the record as filed;

15 (2) specify the incorrect information and the reason it  
16 is incorrect or the manner in which the signing was  
17 defective; and

18 (3) correct the incorrect information or defective  
19 signature.

20 (c) When filed by the Secretary of State, a statement of  
21 correction is effective retroactively as of the effective date  
22 of the record the statement corrects, but the statement is  
23 effective when filed:

24 (1) for the purposes of Section 103(c) and (d); and

25 (2) as to persons relying on the uncorrected record and  
26 adversely affected by the correction.

27 Section 208. Liability for false information in filed  
28 record.

29 (a) If a record delivered to the Secretary of State for  
30 filing under this Act and filed by the Secretary of State  
31 contains false information, a person that suffers loss by  
32 reliance on the information may recover damages for the loss

1 from:

2 (1) a person that signed the record, or caused another  
3 to sign it on the person's behalf, and knew the information  
4 to be false at the time the record was signed; and

5 (2) a general partner that has notice that the  
6 information was false when the record was filed or has  
7 become false because of changed circumstances, if the  
8 general partner has notice for a reasonably sufficient time  
9 before the information is relied upon to enable the general  
10 partner to effect an amendment under Section 202, file a  
11 petition pursuant to Section 205, or deliver to the  
12 Secretary of State for filing a statement of change  
13 pursuant to Section 115 or a statement of correction  
14 pursuant to Section 207.

15 (b) Signing a record authorized or required to be filed  
16 under this Act constitutes an affirmation under the penalties  
17 of perjury that the facts stated in the record are true.

18 Section 209. Certificate of existence or authorization.

19 (a) The Secretary of State, upon request and payment of the  
20 requisite fee, shall furnish a certificate of existence for a  
21 limited partnership if the records filed in the Office of the  
22 Secretary of State show that the Secretary of State has filed a  
23 certificate of limited partnership and has not filed a  
24 statement of termination. A certificate of existence must  
25 state:

26 (1) the limited partnership's name;

27 (2) that it was duly formed under the laws of this  
28 State and the date of formation;

29 (3) whether all fees, taxes, and penalties due to the  
30 Secretary of State under this Act or other law have been  
31 paid;

32 (4) whether the limited partnership's most recent  
33 annual report required by Section 210 has been filed by the

1 Secretary of State;

2 (5) whether the Secretary of State has  
3 administratively dissolved the limited partnership;

4 (6) whether the limited partnership's certificate of  
5 limited partnership has been amended to state that the  
6 limited partnership is dissolved;

7 (7) that a statement of termination has not been filed  
8 by the Secretary of State; and

9 (8) other facts of record in the Office of the  
10 Secretary of State which may be requested by the applicant.

11 (b) The Secretary of State, upon request and payment of the  
12 requisite fee, shall furnish a certificate of authorization for  
13 a foreign limited partnership if the records filed in the  
14 Office of the Secretary of State show that the Secretary of  
15 State has filed a certificate of authority, has not revoked the  
16 certificate of authority, and has not filed a notice of  
17 cancellation. A certificate of authorization must state:

18 (1) the foreign limited partnership's name and any  
19 alternate name adopted under Section 905(a) for use in this  
20 State;

21 (2) that it is authorized to transact business in this  
22 State;

23 (3) whether all fees, taxes, and penalties due to the  
24 Secretary of State under this Act or other law have been  
25 paid;

26 (4) whether the foreign limited partnership's most  
27 recent annual report required by Section 210 has been filed  
28 by the Secretary of State;

29 (5) that the Secretary of State has not revoked its  
30 certificate of authority and has not filed a notice of  
31 cancellation; and

32 (6) other facts of record in the Office of the  
33 Secretary of State which may be requested by the applicant.

34 (c) Subject to any qualification stated in the certificate,

1 a certificate of existence or authorization issued by the  
2 Secretary of State may be relied upon as conclusive evidence  
3 that the limited partnership or foreign limited partnership is  
4 in existence or is authorized to transact business in this  
5 State.

6 Section 210. Annual report for Secretary of State.

7 (a) A limited partnership or a foreign limited partnership  
8 authorized to transact business in this State shall deliver to  
9 the Secretary of State for filing an annual report that states:

10 (1) the name of the limited partnership or foreign  
11 limited partnership;

12 (2) the street and mailing address of its designated  
13 office and the name and street and mailing address of its  
14 agent for service of process in this State;

15 (3) in the case of a limited partnership, the street  
16 and mailing address of its principal office;

17 (4) in the case of a foreign limited partnership, the  
18 State or other jurisdiction under whose law the foreign  
19 limited partnership is formed and any alternate name  
20 adopted under Section 905(a);

21 (5) Additional information that may be necessary or  
22 appropriate in order to enable the Secretary of State to  
23 administer this Act and to verify the proper amount of fees  
24 payable by the limited partnership; and

25 (6) The annual report shall be made on forms prescribed  
26 and furnished by the Secretary of State, and the  
27 information therein, required by paragraphs (1) through  
28 (4) of subsection (a), both inclusive, shall be given as of  
29 the date of signing of the annual report. The annual report  
30 shall be signed by a general partner.

31 (b) Information in an annual report must be current as of  
32 the date the annual report is delivered to the Secretary of  
33 State for filing.

1 (c) The annual report, together with all fees and charges  
2 prescribed by this Act, shall be delivered to the Secretary of  
3 State within 60 days immediately preceding the first day of the  
4 anniversary month. Proof to the satisfaction of the Secretary  
5 of State that, before the first day of the anniversary month of  
6 the limited partnership or the foreign limited partnership, the  
7 report, together with all fees and charges as prescribed by  
8 this Act, was deposited in the United States mail in a sealed  
9 envelope, properly addressed, with postage prepaid, shall be  
10 deemed compliance with this requirement.

11 (d) If an annual report does not contain the information  
12 required in subsection (a), the Secretary of State shall  
13 promptly notify the reporting limited partnership or foreign  
14 limited partnership and return the report to it for correction.  
15 If the report is corrected to contain the information required  
16 in subsection (a) and delivered to the Secretary of State  
17 within 30 days after the effective date of the notice, it is  
18 timely delivered.

19 (e) If a filed annual report contains an address of a  
20 designated office or the name or address of an agent for  
21 service of process which differs from the information shown in  
22 the records of the Secretary of State immediately before the  
23 filing, the differing information in the annual report is  
24 considered a statement of change under Section 115.

25 ARTICLE 3

26 LIMITED PARTNERS

27 Section 301. Becoming limited partner. A person becomes a  
28 limited partner:

29 (1) as provided in the partnership agreement;

30 (2) as the result of a conversion or merger under  
31 Article 11; or

32 (3) with the consent of all the partners.



1           Section 302. No right or power as limited partner to bind  
2 limited partnership. A limited partner does not have the right  
3 or the power as a limited partner to act for or bind the  
4 limited partnership.

5           Section 303. No liability as limited partner for limited  
6 partnership obligation. An obligation of a limited  
7 partnership, whether arising in contract, tort, or otherwise,  
8 is not the obligation of a limited partner. A limited partner  
9 is not personally liable, directly or indirectly, by way of  
10 contribution or otherwise, for an obligation of the limited  
11 partnership solely by reason of being a limited partner, even  
12 if the limited partner participates in the management and  
13 control of the limited partnership.

14           Section 304. Right of limited partner and former limited  
15 partner to information.

16           (a) On 10 days' demand, made in a record received by the  
17 limited partnership, a limited partner may inspect and copy  
18 required information during regular business hours in the  
19 limited partnership's designated office. The limited partner  
20 need not have any particular purpose for seeking the  
21 information.

22           (b) During regular business hours and at a reasonable  
23 location specified by the limited partnership, a limited  
24 partner may obtain from the limited partnership and inspect and  
25 copy true and full information regarding the state of the  
26 activities and financial condition of the limited partnership  
27 and other information regarding the activities of the limited  
28 partnership as is just and reasonable if:

29           (1) the limited partner seeks the information for a  
30 purpose reasonably related to the partner's interest as a  
31 limited partner;

1           (2) the limited partner makes a demand in a record  
2 received by the limited partnership, describing with  
3 reasonable particularity the information sought and the  
4 purpose for seeking the information; and

5           (3) the information sought is directly connected to the  
6 limited partner's purpose.

7           (c) Within 10 days after receiving a demand pursuant to  
8 subsection (b), the limited partnership in a record shall  
9 inform the limited partner that made the demand:

10           (1) what information the limited partnership will  
11 provide in response to the demand;

12           (2) when and where the limited partnership will provide  
13 the information; and

14           (3) if the limited partnership declines to provide any  
15 demanded information, the limited partnership's reasons  
16 for declining.

17           (d) Subject to subsection (f), a person dissociated as a  
18 limited partner may inspect and copy required information  
19 during regular business hours in the limited partnership's  
20 designated office if:

21           (1) the information pertains to the period during which  
22 the person was a limited partner;

23           (2) the person seeks the information in good faith; and

24           (3) the person meets the requirements of subsection  
25 (b).

26           (e) The limited partnership shall respond to a demand made  
27 pursuant to subsection (d) in the same manner as provided in  
28 subsection (c).

29           (f) If a limited partner dies, Section 704 applies.

30           (g) The limited partnership may impose reasonable  
31 restrictions on the use of information obtained under this  
32 Section. In a dispute concerning the reasonableness of a  
33 restriction under this subsection, the limited partnership has  
34 the burden of proving reasonableness.

1 (h) A limited partnership may charge a person that makes a  
2 demand under this Section reasonable costs of copying, limited  
3 to the costs of labor and material.

4 (i) Whenever this Act or a partnership agreement provides  
5 for a limited partner to give or withhold consent to a matter,  
6 before the consent is given or withheld, the limited  
7 partnership shall, without demand, provide the limited partner  
8 with all information material to the limited partner's decision  
9 that the limited partnership knows.

10 (j) A limited partner or person dissociated as a limited  
11 partner may exercise the rights under this Section through an  
12 attorney or other agent. Any restriction imposed under  
13 subsection (g) or by the partnership agreement applies both to  
14 the attorney or other agent and to the limited partner or  
15 person dissociated as a limited partner.

16 (k) The rights stated in this Section do not extend to a  
17 person as transferee, but may be exercised by the legal  
18 representative of an individual under legal disability who is a  
19 limited partner or person dissociated as a limited partner.

20 Section 305. Limited duties of limited partners.

21 (a) A limited partner does not have any fiduciary duty to  
22 the limited partnership or to any other partner solely by  
23 reason of being a limited partner.

24 (b) A limited partner shall discharge the duties to the  
25 partnership and the other partners under this Act or under the  
26 partnership agreement and exercise any rights consistently  
27 with the obligation of good faith and fair dealing.

28 (c) A limited partner does not violate a duty or obligation  
29 under this Act or under the partnership agreement merely  
30 because the limited partner's conduct furthers the limited  
31 partner's own interest.

32 Section 306. Person erroneously believing self to be

1 limited partner.

2 (a) Except as otherwise provided in subsection (b), a  
3 person that makes an investment in a business enterprise and  
4 erroneously but in good faith believes that the person has  
5 become a limited partner in the enterprise is not liable for  
6 the enterprise's obligations by reason of making the  
7 investment, receiving distributions from the enterprise, or  
8 exercising any rights of or appropriate to a limited partner,  
9 if, on ascertaining the mistake, the person:

10 (1) causes an appropriate certificate of limited  
11 partnership, amendment, or statement of correction to be  
12 signed and delivered to the Secretary of State for filing;  
13 or

14 (2) withdraws from future participation as an owner in  
15 the enterprise by signing and delivering to the Secretary  
16 of State for filing a statement of withdrawal under this  
17 Section.

18 (b) A person that makes an investment described in  
19 subsection (a) is liable to the same extent as a general  
20 partner to any third party that enters into a transaction with  
21 the enterprise, believing in good faith that the person is a  
22 general partner, before the Secretary of State files a  
23 statement of withdrawal, certificate of limited partnership,  
24 amendment, or statement of correction to show that the person  
25 is not a general partner.

26 (c) If a person makes a diligent effort in good faith to  
27 comply with subsection (a)(1) and is unable to cause the  
28 appropriate certificate of limited partnership, amendment, or  
29 statement of correction to be signed and delivered to the  
30 Secretary of State for filing, the person has the right to  
31 withdraw from the enterprise pursuant to subsection (a)(2) even  
32 if the withdrawal would otherwise breach an agreement with  
33 others that are or have agreed to become co-owners of the  
34 enterprise.

## 1 ARTICLE 4

## 2 GENERAL PARTNERS

3 Section 401. Becoming general partner. A person becomes a  
4 general partner:

5 (1) as provided in the partnership agreement:

6 (2) under Section 801(3)(B) following the dissociation  
7 of a limited partnership's last general partner;

8 (3) as the result of a conversion or merger under  
9 Article 11; or

10 (4) with the consent of all the partners.

11 Section 402. General partner agent of limited partnership.

12 (a) Each general partner is an agent of the limited  
13 partnership for the purposes of its activities. An act of a  
14 general partner, including the signing of a record in the  
15 partnership's name, for apparently carrying on in the ordinary  
16 course the limited partnership's activities or activities of  
17 the kind carried on by the limited partnership binds the  
18 limited partnership, unless the general partner did not have  
19 authority to act for the limited partnership in the particular  
20 matter and the person with which the general partner was  
21 dealing knew, had received a notification, or had notice under  
22 Section 103(d) that the general partner lacked authority.

23 (b) An act of a general partner which is not apparently for  
24 carrying on in the ordinary course the limited partnership's  
25 activities or activities of the kind carried on by the limited  
26 partnership binds the limited partnership only if the act was  
27 actually authorized by all the other partners.

28 Section 403. Limited partnership liable for general  
29 partner's actionable conduct.

30 (a) A limited partnership is liable for loss or injury

1 caused to a person, or for a penalty incurred, as a result of a  
2 wrongful act or omission, or other actionable conduct, of a  
3 general partner acting in the ordinary course of activities of  
4 the limited partnership or with authority of the limited  
5 partnership.

6 (b) If, in the course of the limited partnership's  
7 activities or while acting with authority of the limited  
8 partnership, a general partner receives or causes the limited  
9 partnership to receive money or property of a person not a  
10 partner, and the money or property is misapplied by a general  
11 partner, the limited partnership is liable for the loss.

12 Section 404. General partner's liability.

13 (a) Except as otherwise provided in subsections (b) and  
14 (c), all general partners are liable jointly and severally for  
15 all obligations of the limited partnership unless otherwise  
16 agreed by the claimant or provided by law.

17 (b) A person that becomes a general partner of an existing  
18 limited partnership is not personally liable for an obligation  
19 of a limited partnership incurred before the person became a  
20 general partner.

21 (c) An obligation of a limited partnership incurred while  
22 the limited partnership is a limited liability limited  
23 partnership, whether arising in contract, tort, or otherwise,  
24 is solely the obligation of the limited partnership. A general  
25 partner is not personally liable, directly or indirectly, by  
26 way of contribution or otherwise, for such an obligation solely  
27 by reason of being or acting as a general partner. This  
28 subsection applies despite anything inconsistent in the  
29 partnership agreement that existed immediately before the  
30 consent required to become a limited liability limited  
31 partnership under Section 406(b) (2).

32 Section 405. Actions by and against partnership and

1 partners.

2 (a) To the extent not inconsistent with Section 404, a  
3 general partner may be joined in an action against the limited  
4 partnership or named in a separate action.

5 (b) A judgment against a limited partnership is not by  
6 itself a judgment against a general partner. A judgment against  
7 a limited partnership may not be satisfied from a general  
8 partner's assets unless there is also a judgment against the  
9 general partner.

10 (c) A judgment creditor of a general partner may not levy  
11 execution against the assets of the general partner to satisfy  
12 a judgment based on a claim against the limited partnership,  
13 unless the partner is personally liable for the claim under  
14 Section 404 and:

15 (1) a judgment based on the same claim has been  
16 obtained against the limited partnership and a writ of  
17 execution on the judgment has been returned unsatisfied in  
18 whole or in part;

19 (2) the limited partnership is a debtor in bankruptcy;

20 (3) the general partner has agreed that the creditor  
21 need not exhaust limited partnership assets;

22 (4) a court grants permission to the judgment creditor  
23 to levy execution against the assets of a general partner  
24 based on a finding that limited partnership assets subject  
25 to execution are clearly insufficient to satisfy the  
26 judgment, that exhaustion of limited partnership assets is  
27 excessively burdensome, or that the grant of permission is  
28 an appropriate exercise of the court's equitable powers; or

29 (5) liability is imposed on the general partner by law  
30 or contract independent of the existence of the limited  
31 partnership.

32 Section 406. Management rights of general partner.

33 (a) Each general partner has equal rights in the management

1 and conduct of the limited partnership's activities. Except as  
2 expressly provided in this Act, any matter relating to the  
3 activities of the limited partnership may be exclusively  
4 decided by the general partner or, if there is more than one  
5 general partner, by a majority of the general partners.

6 (b) The consent of each partner is necessary to:

7 (1) amend the partnership agreement;

8 (2) amend the certificate of limited partnership to add  
9 or, subject to Section 1110, delete a statement that the  
10 limited partnership is a limited liability limited  
11 partnership; and

12 (3) sell, lease, exchange, or otherwise dispose of all,  
13 or substantially all, of the limited partnership's  
14 property, with or without the good will, other than in the  
15 usual and regular course of the limited partnership's  
16 activities.

17 (c) A limited partnership shall reimburse a general partner  
18 for payments made and indemnify a general partner for  
19 liabilities incurred by the general partner in the ordinary  
20 course of the activities of the partnership or for the  
21 preservation of its activities or property.

22 (d) A limited partnership shall reimburse a general partner  
23 for an advance to the limited partnership beyond the amount of  
24 capital the general partner agreed to contribute.

25 (e) A payment or advance made by a general partner which  
26 gives rise to an obligation of the limited partnership under  
27 subsection (c) or (d) constitutes a loan to the limited  
28 partnership which accrues interest from the date of the payment  
29 or advance.

30 (f) A general partner is not entitled to remuneration for  
31 services performed for the partnership.

32 Section 407. Right of general partner and former general  
33 partner to information.



1 (a) A general partner, without having any particular  
2 purpose for seeking the information, may inspect and copy  
3 during regular business hours:

4 (1) in the limited partnership's designated office,  
5 required information; and

6 (2) at a reasonable location specified by the limited  
7 partnership, any other records maintained by the limited  
8 partnership regarding the limited partnership's activities  
9 and financial condition.

10 (b) Each general partner and the limited partnership shall  
11 furnish to a general partner:

12 (1) without demand, any information concerning the  
13 limited partnership's activities and activities reasonably  
14 required for the proper exercise of the general partner's  
15 rights and duties under the partnership agreement or this  
16 Act; and

17 (2) on demand, any other information concerning the  
18 limited partnership's activities, except to the extent the  
19 demand or the information demanded is unreasonable or  
20 otherwise improper under the circumstances.

21 (c) Subject to subsection (e), on 10 days' demand made in a  
22 record received by the limited partnership, a person  
23 dissociated as a general partner may have access to the  
24 information and records described in subsection (a) at the  
25 location specified in subsection (a) if:

26 (1) the information or record pertains to the period  
27 during which the person was a general partner;

28 (2) the person seeks the information or record in good  
29 faith; and

30 (3) the person satisfies the requirements imposed on a  
31 limited partner by Section 304(b).

32 (d) The limited partnership shall respond to a demand made  
33 pursuant to subsection (c) in the same manner as provided in  
34 Section 304(c).

1 (e) If a general partner dies, Section 704 applies.

2 (f) The limited partnership may impose reasonable  
3 restrictions on the use of information under this Section. In  
4 any dispute concerning the reasonableness of a restriction  
5 under this subsection, the limited partnership has the burden  
6 of proving reasonableness.

7 (g) A limited partnership may charge a person dissociated  
8 as a general partner that makes a demand under this Section  
9 reasonable costs of copying, limited to the costs of labor and  
10 material.

11 (h) A general partner or person dissociated as a general  
12 partner may exercise the rights under this Section through an  
13 attorney or other agent. Any restriction imposed under  
14 subsection (f) or by the partnership agreement applies both to  
15 the attorney or other agent and to the general partner or  
16 person dissociated as a general partner.

17 (i) The rights under this Section do not extend to a person  
18 as transferee, but the rights under subsection (c) of a person  
19 dissociated as a general may be exercised by the legal  
20 representative of an individual who dissociated as a general  
21 partner under Section 603(7)(B) or (C).

22 Section 408. General standards of general partner's  
23 conduct.

24 (a) The fiduciary duties that a general partner has to the  
25 limited partnership and the other partners include the duties  
26 of loyalty and care under subsections (b) and (c).

27 (b) A general partner's duty of loyalty to the limited  
28 partnership and the other partners includes the following:

29 (1) to account to the limited partnership and hold as  
30 trustee for it any property, profit, or benefit derived by  
31 the general partner in the conduct and winding up of the  
32 limited partnership's activities or derived from a use by  
33 the general partner of limited partnership property,

1 including the appropriation of a limited partnership  
2 opportunity;

3 (2) to act fairly when dealing with the limited  
4 partnership in the conduct or winding up of the limited  
5 partnership's activities as or on behalf of a party having  
6 an interest adverse to the limited partnership; and

7 (3) to refrain from competing with the limited  
8 partnership in the conduct or winding up of the limited  
9 partnership's activities.

10 (c) A general partner's duty of care to the limited  
11 partnership and the other partners in the conduct and winding  
12 up of the limited partnership's activities is limited to  
13 refraining from engaging in grossly negligent or reckless  
14 conduct, intentional misconduct, or a knowing violation of law.

15 (d) A general partner shall discharge the duties to the  
16 partnership and the other partners under this Act or under the  
17 partnership agreement and exercise any rights consistently  
18 with the obligation of good faith and fair dealing.

19 (e) A general partner does not violate a duty or obligation  
20 under this Act or under the partnership agreement merely  
21 because the general partner's conduct furthers the general  
22 partner's own interest.

## 23 ARTICLE 5

### 24 CONTRIBUTIONS AND DISTRIBUTIONS

25 Section 501. Form of contribution. A contribution of a  
26 partner may consist of tangible or intangible property or other  
27 benefit to the limited partnership, including money, services  
28 performed, promissory notes, other agreements to contribute  
29 cash or property, and contracts for services to be performed.

30 Section 502. Liability for contribution.

31 (a) A partner's obligation to contribute money or other

1 property or other benefit to, or to perform services for, a  
2 limited partnership is not excused by the partner's death,  
3 disability, or other inability to perform personally.

4 (b) If a partner does not make a promised non-monetary  
5 contribution, the partner is obligated at the option of the  
6 limited partnership to contribute money equal to that portion  
7 of the value, as stated in the required information, of the  
8 stated contribution which has not been made.

9 (c) The obligation of a partner to make a contribution or  
10 return money or other property paid or distributed in violation  
11 of this Act may be compromised only by consent of all partners.  
12 A creditor of a limited partnership which extends credit or  
13 otherwise acts in reliance on an obligation described in  
14 subsection (a), without notice of any compromise under this  
15 subsection, may enforce the original obligation.

16 Section 503. Sharing of distributions. A distribution by a  
17 limited partnership must be shared among the partners on the  
18 basis of the value, as stated in the required records when the  
19 limited partnership decides to make the distribution, of the  
20 contributions the limited partnership has received from each  
21 partner.

22 Section 504. Interim distributions. A partner does not have  
23 a right to any distribution before the dissolution and winding  
24 up of the limited partnership unless the limited partnership  
25 decides to make an interim distribution.

26 Section 505. No distribution on account of dissociation. A  
27 person does not have a right to receive a distribution on  
28 account of dissociation.

29 Section 506. Distribution in kind. A partner does not have  
30 a right to demand or receive any distribution from a limited

1 partnership in any form other than cash. Subject to Section  
2 812(b), a limited partnership may distribute an asset in kind  
3 to the extent each partner receives a percentage of the asset  
4 equal to the partner's share of distributions.

5 Section 507. Right to distribution. When a partner or  
6 transferee becomes entitled to receive a distribution, the  
7 partner or transferee has the status of, and is entitled to all  
8 remedies available to, a creditor of the limited partnership  
9 with respect to the distribution. However, the limited  
10 partnership's obligation to make a distribution is subject to  
11 offset for any amount owed to the limited partnership by the  
12 partner or dissociated partner on whose account the  
13 distribution is made.

14 Section 508. Limitations on distribution.

15 (a) A limited partnership may not make a distribution in  
16 violation of the partnership agreement.

17 (b) A limited partnership may not make a distribution if  
18 after the distribution:

19 (1) the limited partnership would not be able to pay  
20 its debts as they become due in the ordinary course of the  
21 limited partnership's activities; or

22 (2) the limited partnership's total assets would be  
23 less than the sum of its total liabilities plus the amount  
24 that would be needed, if the limited partnership were to be  
25 dissolved, wound up, and terminated at the time of the  
26 distribution, to satisfy the preferential rights upon  
27 dissolution, winding up, and termination of partners whose  
28 preferential rights are superior to those of persons  
29 receiving the distribution.

30 (c) A limited partnership may base a determination that a  
31 distribution is not prohibited under subsection (b) on  
32 financial statements prepared on the basis of accounting

1 practices and principles that are reasonable in the  
2 circumstances or on a fair valuation or other method that is  
3 reasonable in the circumstances.

4 (d) Except as otherwise provided in subsection (g), the  
5 effect of a distribution under subsection (b) is measured:

6 (1) in the case of distribution by purchase,  
7 redemption, or other acquisition of a transferable  
8 interest in the limited partnership, as of the date money  
9 or other property is transferred or debt incurred by the  
10 limited partnership; and

11 (2) in all other cases, as of the date:

12 (A) the distribution is authorized, if the payment  
13 occurs within 120 days after that date; or

14 (B) the payment is made, if payment occurs more  
15 than 120 days after the distribution is authorized.

16 (e) A limited partnership's indebtedness to a partner  
17 incurred by reason of a distribution made in accordance with  
18 this Section is at parity with the limited partnership's  
19 indebtedness to its general, unsecured creditors.

20 (f) A limited partnership's indebtedness, including  
21 indebtedness issued in connection with or as part of a  
22 distribution, is not considered a liability for purposes of  
23 subsection (b) if the terms of the indebtedness provide that  
24 payment of principal and interest are made only to the extent  
25 that a distribution could then be made to partners under this  
26 Section.

27 (g) If indebtedness is issued as a distribution, each  
28 payment of principal or interest on the indebtedness is treated  
29 as a distribution, the effect of which is measured on the date  
30 the payment is made.

31 Section 509. Liability for improper distributions.

32 (a) A general partner that consents to a distribution made  
33 in violation of Section 508 is personally liable to the limited

1 partnership for the amount of the distribution which exceeds  
2 the amount that could have been distributed without the  
3 violation if it is established that in consenting to the  
4 distribution the general partner failed to comply with Section  
5 408.

6 (b) A partner or transferee that received a distribution  
7 knowing that the distribution to that partner or transferee was  
8 made in violation of Section 508 is personally liable to the  
9 limited partnership but only to the extent that the  
10 distribution received by the partner or transferee exceeded the  
11 amount that could have been properly paid under Section 508.

12 (c) A general partner against which an action is commenced  
13 under subsection (a) may:

14 (1) implead in the action any other person that is  
15 liable under subsection (a) and compel contribution from  
16 the person; and

17 (2) implead in the action any person that received a  
18 distribution in violation of subsection (b) and compel  
19 contribution from the person in the amount the person  
20 received in violation of subsection (b).

21 (d) An action under this Section is barred if it is not  
22 commenced within two years after the distribution.

23 ARTICLE 6

24 DISSOCIATION

25 Section 601. Dissociation as limited partner.

26 (a) A person does not have a right to dissociate as a  
27 limited partner before the termination of the limited  
28 partnership.

29 (b) A person is dissociated from a limited partnership as a  
30 limited partner upon the occurrence of any of the following  
31 events:

32 (1) the limited partnership's having notice of the

1 person's express will to withdraw as a limited partner or  
2 on a later date specified by the person;

3 (2) an event agreed to in the partnership agreement as  
4 causing the person's dissociation as a limited partner;

5 (3) the person's expulsion as a limited partner  
6 pursuant to the partnership agreement;

7 (4) the person's expulsion as a limited partner by the  
8 unanimous consent of the other partners if:

9 (A) it is unlawful to carry on the limited  
10 partnership's activities with the person as a limited  
11 partner;

12 (B) there has been a transfer of all of the  
13 person's transferable interest in the limited  
14 partnership, other than a transfer for security  
15 purposes, or a court order charging the person's  
16 interest, which has not been foreclosed;

17 (C) the person is a corporation and, within 90 days  
18 after the limited partnership notifies the person that  
19 it will be expelled as a limited partner because it has  
20 filed a certificate of dissolution or the equivalent,  
21 its charter has been revoked, or its right to conduct  
22 business has been suspended by the jurisdiction of its  
23 incorporation, there is no revocation of the  
24 certificate of dissolution or no reinstatement of its  
25 charter or its right to conduct business; or

26 (D) the person is a limited liability company or  
27 partnership that has been dissolved and whose business  
28 is being wound up;

29 (5) on application by the limited partnership, the  
30 person's expulsion as a limited partner by judicial order  
31 because:

32 (A) the person engaged in wrongful conduct that  
33 adversely and materially affected the limited  
34 partnership's activities;



1 (B) the person willfully or persistently committed  
2 a material breach of the partnership agreement or of  
3 the obligation of good faith and fair dealing under  
4 Section 305(b); or

5 (C) the person engaged in conduct relating to the  
6 limited partnership's activities which makes it not  
7 reasonably practicable to carry on the activities with  
8 the person as limited partner;

9 (6) in the case of a person who is an individual, the  
10 person's death;

11 (7) in the case of a person that is a trust or is  
12 acting as a limited partner by virtue of being a trustee of  
13 a trust, distribution of the trust's entire transferable  
14 interest in the limited partnership, but not merely by  
15 reason of the substitution of a successor trustee;

16 (8) in the case of a person that is an estate or is  
17 acting as a limited partner by virtue of being a personal  
18 representative of an estate, distribution of the estate's  
19 entire transferable interest in the limited partnership,  
20 but not merely by reason of the substitution of a successor  
21 personal representative;

22 (9) termination of a limited partner that is not an  
23 individual, partnership, limited liability company,  
24 corporation, trust, or estate;

25 (10) the limited partnership's participation in a  
26 conversion or merger under Article 11, if the limited  
27 partnership:

28 (A) is not the converted or surviving entity; or

29 (B) is the converted or surviving entity but, as a  
30 result of the conversion or merger, the person ceases  
31 to be a limited partner.

32 Section 602. Effect of dissociation as limited partner.

33 (a) Upon a person's dissociation as a limited partner:

1           (1) subject to Section 704, the person does not have  
2 further rights as a limited partner;

3           (2) the person's obligation of good faith and fair  
4 dealing as a limited partner under Section 305(b) continues  
5 only as to matters arising and events occurring before the  
6 dissociation; and

7           (3) subject to Section 704 and Article 11, any  
8 transferable interest owned by the person in the person's  
9 capacity as a limited partner immediately before  
10 dissociation is owned by the person as a mere transferee.

11           (b) A person's dissociation as a limited partner does not  
12 of itself discharge the person from any obligation to the  
13 limited partnership or the other partners which the person  
14 incurred while a limited partner.

15           Section 603. Dissociation as general partner. A person is  
16 dissociated from a limited partnership as a general partner  
17 upon the occurrence of any of the following events:

18           (1) the limited partnership's having notice of the  
19 person's express will to withdraw as a general partner or  
20 on a later date specified by the person;

21           (2) an event agreed to in the partnership agreement as  
22 causing the person's dissociation as a general partner;

23           (3) the person's expulsion as a general partner  
24 pursuant to the partnership agreement;

25           (4) the person's expulsion as a general partner by the  
26 unanimous consent of the other partners if:

27           (A) it is unlawful to carry on the limited  
28 partnership's activities with the person as a general  
29 partner;

30           (B) there has been a transfer of all or  
31 substantially all of the person's transferable  
32 interest in the limited partnership, other than a  
33 transfer for security purposes, or a court order

1 charging the person's interest, which has not been  
2 foreclosed;

3 (C) the person is a corporation and, within 90 days  
4 after the limited partnership notifies the person that  
5 it will be expelled as a general partner because it has  
6 filed a certificate of dissolution or the equivalent,  
7 its charter has been revoked, or its right to conduct  
8 business has been suspended by the jurisdiction of its  
9 incorporation, there is no revocation of the  
10 certificate of dissolution or no reinstatement of its  
11 charter or its right to conduct business; or

12 (D) the person is a limited liability company or  
13 partnership that has been dissolved and whose business  
14 is being wound up;

15 (5) on application by the limited partnership, the  
16 person's expulsion as a general partner by judicial  
17 determination because:

18 (A) the person engaged in wrongful conduct that  
19 adversely and materially affected the limited  
20 partnership activities;

21 (B) the person willfully or persistently committed  
22 a material breach of the partnership agreement or of a  
23 duty owed to the partnership or the other partners  
24 under Section 408; or

25 (C) the person engaged in conduct relating to the  
26 limited partnership's activities which makes it not  
27 reasonably practicable to carry on the activities of  
28 the limited partnership with the person as a general  
29 partner;

30 (6) the person's:

31 (A) becoming a debtor in bankruptcy;

32 (B) execution of an assignment for the benefit of  
33 creditors;

34 (C) seeking, consenting to, or acquiescing in the

1 appointment of a trustee, receiver, or liquidator of  
2 the person or of all or substantially all of the  
3 person's property; or

4 (D) failure, within 90 days after the appointment,  
5 to have vacated or stayed the appointment of a trustee,  
6 receiver, or liquidator of the general partner or of  
7 all or substantially all of the person's property  
8 obtained without the person's consent or  
9 acquiescence, or failing within 90 days after the  
10 expiration of a stay to have the appointment vacated;

11 (7) in the case of a person who is an individual:

12 (A) the person's death;

13 (B) the appointment of a guardian or general  
14 conservator for the person; or

15 (C) a judicial determination that the person has  
16 otherwise become incapable of performing the person's  
17 duties as a general partner under the partnership  
18 agreement;

19 (8) in the case of a person that is a trust or is  
20 acting as a general partner by virtue of being a trustee of  
21 a trust, distribution of the trust's entire transferable  
22 interest in the limited partnership, but not merely by  
23 reason of the substitution of a successor trustee;

24 (9) in the case of a person that is an estate or is  
25 acting as a general partner by virtue of being a personal  
26 representative of an estate, distribution of the estate's  
27 entire transferable interest in the limited partnership,  
28 but not merely by reason of the substitution of a successor  
29 personal representative;

30 (10) termination of a general partner that is not an  
31 individual, partnership, limited liability company,  
32 corporation, trust, or estate; or

33 (11) the limited partnership's participation in a  
34 conversion or merger under Article 11, if the limited

1 partnership:

2 (A) is not the converted or surviving entity; or

3 (B) is the converted or surviving entity but, as a  
4 result of the conversion or merger, the person ceases  
5 to be a general partner.

6 Section 604. Person's to dissociate as general partner;  
7 wrongful dissociation.

8 (a) A person has the power to dissociate as a general  
9 partner at any time, rightfully or wrongfully, by express will  
10 pursuant to Section 603(1).

11 (b) A person's dissociation as a general partner is  
12 wrongful only if:

13 (1) it is in breach of an express provision of the  
14 partnership agreement; or

15 (2) it occurs before the termination of the limited  
16 partnership, and:

17 (A) the person withdraws as a general partner by  
18 express will;

19 (B) the person is expelled as a general partner by  
20 judicial determination under Section 603(5);

21 (C) the person is dissociated as a general partner  
22 by becoming a debtor in bankruptcy; or

23 (D) in the case of a person that is not an  
24 individual, trust other than a business trust, or  
25 estate, the person is expelled or otherwise  
26 dissociated as a general partner because it willfully  
27 dissolved or terminated.

28 (c) A person that wrongfully dissociates as a general  
29 partner is liable to the limited partnership and, subject to  
30 Section 1001, to the other partners for damages caused by the  
31 dissociation. The liability is in addition to any other  
32 obligation of the general partner to the limited partnership or  
33 to the other partners.

1 Section 605. Effect of dissociation as general partner.

2 (a) Upon a person's dissociation as a general partner:

3 (1) the person's right to participate as a general  
4 partner in the management and conduct of the partnership's  
5 activities terminates;

6 (2) except as provided in clause (3), the person's  
7 fiduciary duties as a general partner terminate;

8 (3) the person's duty of loyalty as a general partner  
9 under Section 408(b)(1) and (2) and duty of care under  
10 Section 408(c) continue only with regard to matters arising  
11 and events occurring before the person's dissociation as a  
12 general partner;

13 (4) the person may sign and deliver to the Secretary of  
14 State for filing a statement of dissociation pertaining to  
15 the person and, at the request of the limited partnership,  
16 shall sign an amendment to the certificate of limited  
17 partnership which states that the person has dissociated;  
18 and

19 (5) subject to Section 704 and Article 11, any  
20 transferable interest owned by the person immediately  
21 before dissociation in the person's capacity as a general  
22 partner is owned by the person as a mere transferee.

23 (b) A person's dissociation as a general partner does not  
24 of itself discharge the person from any obligation to the  
25 limited partnership or the other partners which the person  
26 incurred while a general partner.

27 Section 606. Power to bind and liability to limited  
28 partnership before dissolution of partnership of person  
29 dissociated as general partner.

30 (a) After a person is dissociated as a general partner and  
31 before the limited partnership is dissolved, converted under  
32 Article 11, or merged out of existence under Article 11, the

1 limited partnership is bound by an act of the person only if:

2 (1) the act would have bound the limited partnership  
3 under Section 402 before the dissociation; and

4 (2) at the time the other party enters into the  
5 transaction:

6 (A) less than two years has passed since the  
7 dissociation; and

8 (B) the other party does not have notice of the  
9 dissociation and reasonably believes that the person  
10 is a general partner.

11 (b) If a limited partnership is bound under subsection (a),  
12 the person dissociated as a general partner which caused the  
13 limited partnership to be bound is liable:

14 (1) to the limited partnership for any damage caused to  
15 the limited partnership arising from the obligation  
16 incurred under subsection (a); and

17 (2) if a general partner or another person dissociated  
18 as a general partner is liable for the obligation, to the  
19 general partner or other person for any damage caused to  
20 the general partner or other person arising from the  
21 liability.

22 Section 607. Liability to other persons of person  
23 dissociated as general partner.

24 (a) A person's dissociation as a general partner does not  
25 of itself discharge the person's liability as a general partner  
26 for an obligation of the limited partnership incurred before  
27 dissociation. Except as otherwise provided in subsections (b)  
28 and (c), the person is not liable for a limited partnership's  
29 obligation incurred after dissociation.

30 (b) A person whose dissociation as a general partner  
31 resulted in a dissolution and winding up of the limited  
32 partnership's activities is liable to the same extent as a  
33 general partner under Section 404 on an obligation incurred by

1 the limited partnership under Section 804.

2 (c) A person that has dissociated as a general partner but  
3 whose dissociation did not result in a dissolution and winding  
4 up of the limited partnership's activities is liable on a  
5 transaction entered into by the limited partnership after the  
6 dissociation only if:

7 (1) a general partner would be liable on the  
8 transaction; and

9 (2) at the time the other party enters into the  
10 transaction:

11 (A) less than two years has passed since the  
12 dissociation; and

13 (B) the other party does not have notice of the  
14 dissociation and reasonably believes that the person  
15 is a general partner.

16 (d) By agreement with a creditor of a limited partnership  
17 and the limited partnership, a person dissociated as a general  
18 partner may be released from liability for an obligation of the  
19 limited partnership.

20 (e) A person dissociated as a general partner is released  
21 from liability for an obligation of the limited partnership if  
22 the limited partnership's creditor, with notice of the person's  
23 dissociation as a general partner but without the person's  
24 consent, agrees to a material alteration in the nature or time  
25 of payment of the obligation.

26 ARTICLE 7

27 TRANSFERABLE INTERESTS AND RIGHTS

28 OF TRANSFEREES AND CREDITORS

29 Section 701. Partner's transferable interest. The only  
30 interest of a partner which is transferable is the partner's  
31 transferable interest. A transferable interest is personal  
32 property.



1 Section 702. Transfer of partner's transferable interest.

2 (a) A transfer, in whole or in part, of a partner's  
3 transferable interest:

4 (1) is permissible;

5 (2) does not by itself cause the partner's dissociation  
6 or a dissolution and winding up of the limited  
7 partnership's activities; and

8 (3) does not, as against the other partners or the  
9 limited partnership, entitle the transferee to participate  
10 in the management or conduct of the limited partnership's  
11 activities, to require access to information concerning  
12 the limited partnership's transactions except as otherwise  
13 provided in subsection (c), or to inspect or copy the  
14 required information or the limited partnership's other  
15 records.

16 (b) A transferee has a right to receive, in accordance with  
17 the transfer:

18 (1) distributions to which the transferor would  
19 otherwise be entitled; and

20 (2) upon the dissolution and winding up of the limited  
21 partnership's activities the net amount otherwise  
22 distributable to the transferor.

23 (c) In a dissolution and winding up, a transferee is  
24 entitled to an account of the limited partnership's  
25 transactions only from the date of dissolution.

26 (d) Upon transfer, the transferor retains the rights of a  
27 partner other than the interest in distributions transferred  
28 and retains all duties and obligations of a partner.

29 (e) A limited partnership need not give effect to a  
30 transferee's rights under this Section until the limited  
31 partnership has notice of the transfer.

32 (f) A transfer of a partner's transferable interest in the  
33 limited partnership in violation of a restriction on transfer

1 contained in the partnership agreement is ineffective as to a  
2 person having notice of the restriction at the time of  
3 transfer.

4 (g) A transferee that becomes a partner with respect to a  
5 transferable interest is liable for the transferor's  
6 obligations under Sections 502 and 509. However, the transferee  
7 is not obligated for liabilities unknown to the transferee at  
8 the time the transferee became a partner.

9 Section 703. Rights of creditor of partner or transferee.

10 (a) On application to a court of competent jurisdiction by  
11 any judgment creditor of a partner or transferee, the court may  
12 charge the transferable interest of the judgment debtor with  
13 payment of the unsatisfied amount of the judgment with  
14 interest. To the extent so charged, the judgment creditor has  
15 only the rights of a transferee. The court may appoint a  
16 receiver of the share of the distributions due or to become due  
17 to the judgment debtor in respect of the partnership and make  
18 all other orders, directions, accounts, and inquiries the  
19 judgment debtor might have made or which the circumstances of  
20 the case may require to give effect to the charging order.

21 (b) A charging order constitutes a lien on the judgment  
22 debtor's transferable interest. The court may order a  
23 foreclosure upon the interest subject to the charging order at  
24 any time. The purchaser at the foreclosure sale has the rights  
25 of a transferee.

26 (c) At any time before foreclosure, an interest charged may  
27 be redeemed:

28 (1) by the judgment debtor;

29 (2) with property other than limited partnership  
30 property, by one or more of the other partners; or

31 (3) with limited partnership property, by the limited  
32 partnership with the consent of all partners whose  
33 interests are not so charged.

1 (d) This Act does not deprive any partner or transferee of  
2 the benefit of any exemption laws applicable to the partner's  
3 or transferee's transferable interest.

4 (e) This Section provides the exclusive remedy by which a  
5 judgment creditor of a partner or transferee may satisfy a  
6 judgment out of the judgment debtor's transferable interest.

7 Section 704. Power of estate of deceased partner. If a  
8 partner dies, the deceased partner's personal representative  
9 or other legal representative may exercise the rights of a  
10 transferee as provided in Section 702 and, for the purposes of  
11 settling the estate, may exercise the rights of a current  
12 limited partner under Section 304.

13 ARTICLE 8

14 DISSOLUTION

15 Section 801. Nonjudicial dissolution. Except as otherwise  
16 provided in Section 802, a limited partnership is dissolved,  
17 and its activities must be wound up, only upon the occurrence  
18 of any of the following:

19 (1) the happening of an event specified in the  
20 partnership agreement;

21 (2) the consent of all general partners and of limited  
22 partners owning a majority of the rights to receive  
23 distributions as limited partners at the time the consent  
24 is to be effective;

25 (3) after the dissociation of a person as a general  
26 partner:

27 (A) if the limited partnership has at least one  
28 remaining general partner, the consent to dissolve the  
29 limited partnership given within 90 days after the  
30 dissociation by partners owning a majority of the

1 rights to receive distributions as partners at the time  
2 the consent is to be effective; or

3 (B) if the limited partnership does not have a  
4 remaining general partner, the passage of 90 days after  
5 the dissociation, unless before the end of the period:

6 (i) consent to continue the activities of the  
7 limited partnership and admit at least one general  
8 partner is given by limited partners owning a  
9 majority of the rights to receive distributions as  
10 limited partners at the time the consent is to be  
11 effective; and

12 (ii) at least one person is admitted as a  
13 general partner in accordance with the consent;

14 (4) the passage of 90 days after the dissociation of  
15 the limited partnership's last limited partner, unless  
16 before the end of the period the limited partnership admits  
17 at least one limited partner; or

18 (5) the signing and filing of a declaration of  
19 dissolution by the Secretary of State under Section 809(c).

20 Section 802. Judicial dissolution. On application by a  
21 partner the circuit court may order dissolution of a limited  
22 partnership if it is not reasonably practicable to carry on the  
23 activities of the limited partnership in conformity with the  
24 partnership agreement.

25 Section 803. Winding up.

26 (a) A limited partnership continues after dissolution only  
27 for the purpose of winding up its activities.

28 (b) In winding up its activities, the limited partnership:

29 (1) may amend its certificate of limited partnership to  
30 state that the limited partnership is dissolved, preserve  
31 the limited partnership business or property as a going  
32 concern for a reasonable time, prosecute and defend actions

1 and proceedings, whether civil, criminal, or  
2 administrative, transfer the limited partnership's  
3 property, settle disputes by mediation or arbitration,  
4 file a statement of termination as provided in Section 203,  
5 and perform other necessary acts; and

6 (2) shall discharge the limited partnership's  
7 liabilities, settle and close the limited partnership's  
8 activities, and marshal and distribute the assets of the  
9 partnership.

10 (c) If a dissolved limited partnership does not have a  
11 general partner, a person to wind up the dissolved limited  
12 partnership's activities may be appointed by the consent of  
13 limited partners owning a majority of the rights to receive  
14 distributions as limited partners at the time the consent is to  
15 be effective. A person appointed under this subsection:

16 (1) has the powers of a general partner under Section  
17 804; and

18 (2) shall promptly amend the certificate of limited  
19 partnership to state:

20 (A) that the limited partnership does not have a  
21 general partner;

22 (B) the name of the person that has been appointed  
23 to wind up the limited partnership; and

24 (C) the street and mailing address of the person.

25 (d) On the application of any partner, the circuit court  
26 may order judicial supervision of the winding up, including the  
27 appointment of a person to wind up the dissolved limited  
28 partnership's activities, if:

29 (1) a limited partnership does not have a general  
30 partner and within a reasonable time following the  
31 dissolution no person has been appointed pursuant to  
32 subsection (c); or

33 (2) the applicant establishes other good cause.

1 Section 804. Power of general partner and person  
2 dissociated as general partner to bind partnership after  
3 dissolution.

4 (a) A limited partnership is bound by a general partner's  
5 act after dissolution which:

6 (1) is appropriate for winding up the limited  
7 partnership's activities; or

8 (2) would have bound the limited partnership under  
9 Section 402 before dissolution, if, at the time the other  
10 party enters into the transaction, the other party does not  
11 have notice of the dissolution.

12 (b) A person dissociated as a general partner binds a  
13 limited partnership through an act occurring after dissolution  
14 if:

15 (1) at the time the other party enters into the  
16 transaction:

17 (A) less than two years has passed since the  
18 dissociation; and

19 (B) the other party does not have notice of the  
20 dissociation and reasonably believes that the person  
21 is a general partner; and

22 (2) the act:

23 (A) is appropriate for winding up the limited  
24 partnership's activities; or

25 (B) would have bound the limited partnership under  
26 Section 402 before dissolution and at the time the  
27 other party enters into the transaction the other party  
28 does not have notice of the dissolution.

29 Section 805. Liability after dissolution of general  
30 partner and person dissociated as general partner to limited  
31 partnership, other general partners, and persons dissociated  
32 as general partner.

33 (a) If a general partner having knowledge of the

1 dissolution causes a limited partnership to incur an obligation  
2 under Section 804(a) by an act that is not appropriate for  
3 winding up the partnership's activities, the general partner is  
4 liable:

5 (1) to the limited partnership for any damage caused to  
6 the limited partnership arising from the obligation; and

7 (2) if another general partner or a person dissociated as a  
8 general partner is liable for the obligation, to that other  
9 general partner or person for any damage caused to that  
10 other general partner or person arising from the liability.

11 (b) If a person dissociated as a general partner causes a  
12 limited partnership to incur an obligation under Section  
13 804(b), the person is liable:

14 (1) to the limited partnership for any damage caused to  
15 the limited partnership arising from the obligation; and

16 (2) if a general partner or another person dissociated  
17 as a general partner is liable for the obligation, to the  
18 general partner or other person for any damage caused to  
19 the general partner or other person arising from the  
20 liability.

21 Section 806. Known claims against dissolved limited  
22 partnership.

23 (a) A dissolved limited partnership may dispose of the  
24 known claims against it by following the procedure described in  
25 subsection (b).

26 (b) A dissolved limited partnership may notify its known  
27 claimants of the dissolution in a record. The notice must:

28 (1) specify the information required to be included in  
29 a claim;

30 (2) provide a mailing address to which the claim is to  
31 be sent;

32 (3) state the deadline for receipt of the claim, which  
33 may not be less than 120 days after the date the notice is

1 received by the claimant;

2 (4) state that the claim will be barred if not received  
3 by the deadline; and

4 (5) unless the limited partnership has been throughout  
5 its existence a limited liability limited partnership,  
6 state that the barring of a claim against the limited  
7 partnership will also bar any corresponding claim against  
8 any general partner or person dissociated as a general  
9 partner which is based on Section 404.

10 (c) A claim against a dissolved limited partnership is  
11 barred if the requirements of subsection (b) are met and:

12 (1) the claim is not received by the specified  
13 deadline; or

14 (2) in the case of a claim that is timely received but  
15 rejected by the dissolved limited partnership, the  
16 claimant does not commence an action to enforce the claim  
17 against the limited partnership within 90 days after the  
18 receipt of the notice of the rejection.

19 (d) This Section does not apply to a claim based on an  
20 event occurring after the effective date of dissolution or a  
21 liability that is contingent on that date.

22 Section 807. Other claims against dissolved limited  
23 partnership.

24 (a) A dissolved limited partnership may publish notice of  
25 its dissolution and request persons having claims against the  
26 limited partnership to present them in accordance with the  
27 notice.

28 (b) The notice must:

29 (1) be published at least once in a newspaper of  
30 general circulation in the county in which the dissolved  
31 limited partnership's principal office is located or, if it  
32 has none in this State, in the county in which the limited  
33 partnership's designated office is or was last located;



1           (2) describe the information required to be contained  
2           in a claim and provide a mailing address to which the claim  
3           is to be sent;

4           (3) state that a claim against the limited partnership  
5           is barred unless an action to enforce the claim is  
6           commenced within five years after publication of the  
7           notice; and

8           (4) unless the limited partnership has been throughout  
9           its existence a limited liability limited partnership,  
10          state that the barring of a claim against the limited  
11          partnership will also bar any corresponding claim against  
12          any general partner or person dissociated as a general  
13          partner which is based on Section 404.

14          (c) If a dissolved limited partnership publishes a notice  
15          in accordance with subsection (b), the claim of each of the  
16          following claimants is barred unless the claimant commences an  
17          action to enforce the claim against the dissolved limited  
18          partnership within five years after the publication date of the  
19          notice:

20                 (1) a claimant that did not receive notice in a record  
21                 under Section 806;

22                 (2) a claimant whose claim was timely sent to the  
23                 dissolved limited partnership but not acted on; and

24                 (3) a claimant whose claim is contingent or based on an  
25                 event occurring after the effective date of dissolution.

26          (d) A claim not barred under this Section may be enforced:

27                 (1) against the dissolved limited partnership, to the  
28                 extent of its undistributed assets;

29                 (2) if the assets have been distributed in liquidation,  
30                 against a partner or transferee to the extent of that  
31                 person's proportionate share of the claim or the limited  
32                 partnership's assets distributed to the partner or  
33                 transferee in liquidation, whichever is less, but a  
34                 person's total liability for all claims under this

1 paragraph does not exceed the total amount of assets  
2 distributed to the person as part of the winding up of the  
3 dissolved limited partnership; or

4 (3) against any person liable on the claim under  
5 Section 404.

6 Section 808. Liability of general partner and person  
7 dissociated as general partner when claim against limited  
8 partnership barred. If a claim against a dissolved limited  
9 partnership is barred under Section 806 or 807, any  
10 corresponding claim under Section 404 is also barred.

11 Section 809. Administrative dissolution.

12 (a) The Secretary of State may dissolve a limited  
13 partnership administratively if the limited partnership does  
14 not, within 60 days after the due date:

15 (1) pay any fee, tax, or penalty due to the Secretary  
16 of State under this Act or other law; or

17 (2) deliver its annual report to the Secretary of  
18 State.

19 (b) If the Secretary of State determines that a ground  
20 exists for administratively dissolving a limited partnership,  
21 the Secretary of State shall file a record of the determination  
22 and serve the limited partnership with a copy of the filed  
23 record.

24 (c) If within 60 days after service of the copy the limited  
25 partnership does not correct each ground for dissolution or  
26 demonstrate to the reasonable satisfaction of the Secretary of  
27 State that each ground determined by the Secretary of State  
28 does not exist, the Secretary of State shall administratively  
29 dissolve the limited partnership by preparing, signing and  
30 filing a declaration of dissolution that states the grounds for  
31 dissolution. The Secretary of State shall serve the limited  
32 partnership with a copy of the filed declaration.

1 (d) A limited partnership administratively dissolved  
2 continues its existence but may carry on only activities  
3 necessary to wind up its activities and liquidate its assets  
4 under Sections 803 and 812 and to notify claimants under  
5 Sections 806 and 807.

6 (e) The administrative dissolution of a limited  
7 partnership does not terminate the authority of its agent for  
8 service of process.

9 Section 810. Reinstatement following administrative  
10 dissolution.

11 (a) A limited partnership that has been administratively  
12 dissolved may apply to the Secretary of State for reinstatement  
13 after the effective date of dissolution. The application must  
14 be delivered to the Secretary of State for filing and state:

15 (1) the name of the limited partnership and the  
16 effective date of its administrative dissolution;

17 (2) that the grounds for dissolution either did not  
18 exist or have been eliminated; and

19 (3) that the limited partnership's name satisfies the  
20 requirements of Section 108.

21 (b) If the Secretary of State determines that an  
22 application contains the information required by subsection  
23 (a) and that the information is correct, the Secretary of State  
24 shall prepare a declaration of reinstatement that states this  
25 determination, sign, and file the original of the declaration  
26 of reinstatement, and serve the limited partnership with a  
27 copy.

28 (c) When reinstatement becomes effective, it relates back  
29 to and takes effect as of the effective date of the  
30 administrative dissolution and the limited partnership may  
31 resume its activities as if the administrative dissolution had  
32 never occurred.

1 Section 811. Appeal from denial of reinstatement.

2 (a) If the Secretary of State denies a limited  
3 partnership's application for reinstatement following  
4 administrative dissolution, the Secretary of State shall  
5 prepare, sign and file a notice that explains the reason or  
6 reasons for denial and serve the limited partnership with a  
7 copy of the notice.

8 (b) Within 30 days after service of the notice of denial,  
9 the limited partnership may appeal from the denial of  
10 reinstatement by petitioning the Circuit Court of Sangamon  
11 County to set aside the dissolution. The petition must be  
12 served on the Secretary of State and contain a copy of the  
13 Secretary of State's declaration of dissolution, the limited  
14 partnership's application for reinstatement, and the Secretary  
15 of State's notice of denial.

16 (c) The court may summarily order the Secretary of State to  
17 reinstate the dissolved limited partnership or may take other  
18 action the court considers appropriate.

19 Section 812. Disposition of assets; when contributions  
20 required.

21 (a) In winding up a limited partnership's activities, the  
22 assets of the limited partnership, including the contributions  
23 required by this Section, must be applied to satisfy the  
24 limited partnership's obligations to creditors, including, to  
25 the extent permitted by law, partners that are creditors.

26 (b) Any surplus remaining after the limited partnership  
27 complies with subsection (a) must be paid in cash as a  
28 distribution.

29 (c) If a limited partnership's assets are insufficient to  
30 satisfy all of its obligations under subsection (a), with  
31 respect to each unsatisfied obligation incurred when the  
32 limited partnership was not a limited liability limited  
33 partnership, the following rules apply:

1           (1) Each person that was a general partner when the  
2 obligation was incurred and that has not been released from  
3 the obligation under Section 607 shall contribute to the  
4 limited partnership for the purpose of enabling the limited  
5 partnership to satisfy the obligation. The contribution  
6 due from each of those persons is in proportion to the  
7 right to receive distributions in the capacity of general  
8 partner in effect for each of those persons when the  
9 obligation was incurred.

10           (2) If a person does not contribute the full amount  
11 required under paragraph (1) with respect to an unsatisfied  
12 obligation of the limited partnership, the other persons  
13 required to contribute by paragraph (1) on account of the  
14 obligation shall contribute the additional amount  
15 necessary to discharge the obligation. The additional  
16 contribution due from each of those other persons is in  
17 proportion to the right to receive distributions in the  
18 capacity of general partner in effect for each of those  
19 other persons when the obligation was incurred.

20           (3) If a person does not make the additional  
21 contribution required by paragraph (2), further additional  
22 contributions are determined and due in the same manner as  
23 provided in that paragraph.

24           (d) A person that makes an additional contribution under  
25 subsection (c)(2) or (3) may recover from any person whose  
26 failure to contribute under subsection (c)(1) or (2)  
27 necessitated the additional contribution. A person may not  
28 recover under this subsection more than the amount additionally  
29 contributed. A person's liability under this subsection may not  
30 exceed the amount the person failed to contribute.

31           (e) The estate of a deceased individual is liable for the  
32 person's obligations under this Section.

33           (f) An assignee for the benefit of creditors of a limited  
34 partnership or a partner, or a person appointed by a court to

1 represent creditors of a limited partnership or a partner, may  
2 enforce a person's obligation to contribute under subsection  
3 (c).

4 ARTICLE 9

5 FOREIGN LIMITED PARTNERSHIPS

6 Section 901. Governing law.

7 (a) The laws of the State or other jurisdiction under which  
8 a foreign limited partnership is organized govern relations  
9 among the partners of the foreign limited partnership and  
10 between the partners and the foreign limited partnership and  
11 the liability of partners as partners for an obligation of the  
12 foreign limited partnership.

13 (b) A foreign limited partnership may not be denied a  
14 certificate of authority by reason of any difference between  
15 the laws of the jurisdiction under which the foreign limited  
16 partnership is organized and the laws of this State.

17 (c) A certificate of authority does not authorize a foreign  
18 limited partnership to engage in any business or exercise any  
19 power that a limited partnership may not engage in or exercise  
20 in this State.

21 Section 902. Application for certificate of authority.

22 (a) A foreign limited partnership may apply for a  
23 certificate of authority to transact business in this State by  
24 delivering an application to the Secretary of State for filing.

25 The application must state:

26 (1) the name of the foreign limited partnership and, if  
27 the name does not comply with Section 108, an alternate  
28 name adopted pursuant to Section 905(a);

29 (2) the name of the State or other jurisdiction under  
30 whose law the foreign limited partnership is organized;

31 (3) the street and mailing address of the foreign

1 limited partnership's principal office and, if the laws of  
2 the jurisdiction under which the foreign limited  
3 partnership is organized require the foreign limited  
4 partnership to maintain an office in that jurisdiction, the  
5 street and mailing address of the required office;

6 (4) the name and street and mailing address of the  
7 foreign limited partnership's initial agent for service of  
8 process in this State;

9 (5) the name and street and mailing address of each of  
10 the foreign limited partnership's general partners; and

11 (6) whether the foreign limited partnership is a  
12 foreign limited liability limited partnership.

13 (b) A foreign limited partnership shall deliver with the  
14 completed application a certificate of existence or a record of  
15 similar import signed by the Secretary of State or other  
16 official having custody of the foreign limited partnership's  
17 publicly filed records in the State or other jurisdiction under  
18 whose law the foreign limited partnership is organized.

19 Section 903. Activities not constituting transacting  
20 business.

21 (a) Activities of a foreign limited partnership which do  
22 not constitute transacting business in this State within the  
23 meaning of this Article include:

24 (1) maintaining, defending, and settling an action or  
25 proceeding;

26 (2) holding meetings of its partners or carrying on any  
27 other activity concerning its internal affairs;

28 (3) maintaining accounts in financial institutions;

29 (4) maintaining offices or agencies for the transfer,  
30 exchange, and registration of the foreign limited  
31 partnership's own securities or maintaining trustees or  
32 depositories with respect to those securities;

33 (5) selling through independent contractors;

1           (6) soliciting or obtaining orders, whether by mail or  
2           electronic means or through employees or agents or  
3           otherwise, if the orders require acceptance outside this  
4           State before they become contracts;

5           (7) creating or acquiring indebtedness, mortgages, or  
6           security interests in real or personal property;

7           (8) securing or collecting debts or enforcing  
8           mortgages or other security interests in property securing  
9           the debts, and holding, protecting, and maintaining  
10          property so acquired;

11          (9) conducting an isolated transaction that is  
12          completed within 30 days and is not one in the course of  
13          similar transactions of a like manner; and

14          (10) transacting business in interstate commerce.

15          (b) For purposes of this Article, the ownership in this  
16          State of income-producing real property or tangible personal  
17          property, other than property excluded under subsection (a),  
18          constitutes transacting business in this State.

19          (c) This Section does not apply in determining the contacts  
20          or activities that may subject a foreign limited partnership to  
21          service of process, taxation, or regulation under any other law  
22          of this State.

23          Section 904. Filing of certificate of authority. Unless the  
24          Secretary of State determines that an application for a  
25          certificate of authority does not comply with the filing  
26          requirements of this Act, the Secretary of State, upon payment  
27          of all filing fees, shall file the application, prepare, sign  
28          and file a certificate of authority to transact business in  
29          this State, and send a copy of the filed certificate, together  
30          with a receipt for the fees, to the foreign limited partnership  
31          or its representative.

32          Section 905. Noncomplying name of foreign limited



1 partnership.

2 (a) A foreign limited partnership whose name does not  
3 comply with Section 108 may not obtain a certificate of  
4 authority until it adopts, for the purpose of transacting  
5 business in this State, an alternate name that complies with  
6 Section 108. A foreign limited partnership that adopts an  
7 alternate name under this subsection and then obtains a  
8 certificate of authority with the name need not comply with the  
9 Assumed Business Name Act and is deemed to be in compliance  
10 with Section 108.5. After obtaining a certificate of authority  
11 with an alternate name, a foreign limited partnership shall  
12 transact business in this State under the name unless the  
13 foreign limited partnership is authorized under the Assumed  
14 Business Name Act to transact business in this State under  
15 another name.

16 (b) If a foreign limited partnership authorized to transact  
17 business in this State changes its name to one that does not  
18 comply with Section 108, it may not thereafter transact  
19 business in this State until it complies with subsection (a)  
20 and obtains an amended certificate of authority.

21 Section 906. Revocation of certificate of authority.

22 (a) A certificate of authority of a foreign limited  
23 partnership to transact business in this State may be revoked  
24 by the Secretary of State in the manner provided in subsections  
25 (b) and (c) if the foreign limited partnership does not:

26 (1) pay, within 60 days after the due date, any fee,  
27 tax or penalty due to the Secretary of State under this Act  
28 or other law;

29 (2) deliver, within 60 days after the due date, its  
30 annual report required under Section 210;

31 (3) appoint and maintain an agent for service of  
32 process as required by Section 114(b); or

33 (4) deliver for filing a statement of a change under

1 Section 115 within 30 days after a change has occurred in  
2 the name or address of the agent.

3 (b) In order to revoke a certificate of authority, the  
4 Secretary of State must prepare, sign, and file a notice of  
5 revocation and send a copy to the foreign limited partnership's  
6 agent for service of process in this State, or if the foreign  
7 limited partnership does not appoint and maintain a proper  
8 agent in this State, to the foreign limited partnership's  
9 designated office. The notice must state:

10 (1) the revocation's effective date, which must be at  
11 least 60 days after the date the Secretary of State sends  
12 the copy; and

13 (2) the foreign limited partnership's failures to  
14 comply with subsection (a) which are the reason for the  
15 revocation.

16 (c) The authority of the foreign limited partnership to  
17 transact business in this State ceases on the effective date of  
18 the notice of revocation unless before that date the foreign  
19 limited partnership cures each failure to comply with  
20 subsection (a) stated in the notice. If the foreign limited  
21 partnership cures the failures, the Secretary of State shall so  
22 indicate on the filed notice.

23 Section 907. Cancellation of certificate of authority;  
24 effect of failure to have certificate.

25 (a) In order to cancel its certificate of authority to  
26 transact business in this State, a foreign limited partnership  
27 must deliver to the Secretary of State for filing a notice of  
28 cancellation. The certificate is canceled when the notice  
29 becomes effective under Section 206.

30 (b) A foreign limited partnership transacting business in  
31 this State may not maintain an action or proceeding in this  
32 State unless it has a certificate of authority to transact  
33 business in this State.

1 (c) The failure of a foreign limited partnership to have a  
2 certificate of authority to transact business in this State  
3 does not impair the validity of a contract or act of the  
4 foreign limited partnership or prevent the foreign limited  
5 partnership from defending an action or proceeding in this  
6 State.

7 (d) A partner of a foreign limited partnership is not  
8 liable for the obligations of the foreign limited partnership  
9 solely by reason of the foreign limited partnership's having  
10 transacted business in this State without a certificate of  
11 authority.

12 (e) If a foreign limited partnership transacts business in  
13 this State without a certificate of authority or cancels its  
14 certificate of authority, it appoints the Secretary of State as  
15 its agent for service of process for rights of action arising  
16 out of the transaction of business in this State.

17 Section 908. Action by Attorney General. The Attorney  
18 General may maintain an action to restrain a foreign limited  
19 partnership from transacting business in this State in  
20 violation of this Article.

21 ARTICLE 10

22 ACTIONS BY PARTNERS

23 Section 1001. Direct action by partner.

24 (a) Subject to subsection (b), a partner may maintain a  
25 direct action against the limited partnership or another  
26 partner for legal or equitable relief, with or without an  
27 accounting as to the partnership's activities, to enforce the  
28 rights and otherwise protect the interests of the partner,  
29 including rights and interests under the partnership agreement  
30 or this Act or arising independently of the partnership  
31 relationship.

1 (b) A partner commencing a direct action under this Section  
2 is required to plead and prove an actual or threatened injury  
3 that is not solely the result of an injury suffered or  
4 threatened to be suffered by the limited partnership.

5 (c) The accrual of, and any time limitation on, a right of  
6 action for a remedy under this Section is governed by other  
7 law. A right to an accounting upon a dissolution and winding up  
8 does not revive a claim barred by law.

9 Section 1002. Derivative action. A partner may maintain a  
10 derivative action to enforce a right of a limited partnership  
11 if:

12 (1) the partner first makes a demand on the general  
13 partners, requesting that they cause the limited  
14 partnership to bring an action to enforce the right, and  
15 the general partners do not bring the action within a  
16 reasonable time; or

17 (2) a demand would be futile.

18 Section 1003. Proper plaintiff. A derivative action may be  
19 maintained only by a person that is a partner at the time the  
20 action is commenced and:

21 (1) that was a partner when the conduct giving rise to  
22 the action occurred; or

23 (2) whose status as a partner devolved upon the person  
24 by operation of law or pursuant to the terms of the  
25 partnership agreement from a person that was a partner at  
26 the time of the conduct.

27 Section 1004. Pleading. In a derivative action, the  
28 complaint must state with particularity:

29 (1) the date and content of plaintiff's demand and the  
30 general partners' response to the demand; or

31 (2) why demand should be excused as futile.

1 Section 1005. Proceeds and expenses.

2 (a) Except as otherwise provided in subsection (b):

3 (1) any proceeds or other benefits of a derivative  
4 action, whether by judgment, compromise, or settlement,  
5 belong to the limited partnership and not to the derivative  
6 plaintiff;

7 (2) if the derivative plaintiff receives any proceeds,  
8 the derivative plaintiff shall immediately remit them to  
9 the limited partnership.

10 (b) If a derivative action is successful in whole or in  
11 part, the court may award the plaintiff reasonable expenses,  
12 including reasonable attorney's fees, from the recovery of the  
13 limited partnership.

14 ARTICLE 11

15 CONVERSION AND MERGER

16 Section 1101. Definitions. In this Article:

17 (1) "Constituent limited partnership" means a constituent  
18 organization that is a limited partnership.

19 (2) "Constituent organization" means an organization that  
20 is party to a merger.

21 (3) "Converted organization" means the organization into  
22 which a converting organization converts pursuant to Sections  
23 1102 through 1105.

24 (4) "Converting limited partnership" means a converting  
25 organization that is a limited partnership.

26 (5) "Converting organization" means an organization that  
27 converts into another organization pursuant to Section 1102.

28 (6) "General partner" means a general partner of a limited  
29 partnership.

30 (7) "Governing statute" of an organization means the  
31 statute that governs the organization's internal affairs.

1 (8) "Organization" means a general partnership, including  
2 a limited liability partnership; limited partnership,  
3 including a limited liability limited partnership; limited  
4 liability company; business trust; corporation; or any other  
5 person having a governing statute. The term includes domestic  
6 and foreign organizations whether or not organized for profit.

7 (9) "Organizational documents" means:

8 (A) for a domestic or foreign general partnership, its  
9 partnership agreement;

10 (B) for a limited partnership or foreign limited  
11 partnership, its certificate of limited partnership and  
12 partnership agreement;

13 (C) for a domestic or foreign limited liability  
14 company, its articles of organization and operating  
15 agreement, or comparable records as provided in its  
16 governing statute;

17 (D) for a business trust, its agreement of trust and  
18 declaration of trust;

19 (E) for a domestic or foreign corporation for profit,  
20 its articles of incorporation, bylaws, and other  
21 agreements among its shareholders which are authorized by  
22 its governing statute, or comparable records as provided in  
23 its governing statute; and

24 (F) for any other organization, the basic records that  
25 create the organization and determine its internal  
26 governance and the relations among the persons that own it,  
27 have an interest in it, or are members of it.

28 (10) "Personal liability" means personal liability for a  
29 debt, liability, or other obligation of an organization which  
30 is imposed on a person that co-owns, has an interest in, or is  
31 a member of the organization:

32 (A) by the organization's governing statute solely by  
33 reason of the person co-owning, having an interest in, or  
34 being a member of the organization; or

1 (B) by the organization's organizational documents  
2 under a provision of the organization's governing statute  
3 authorizing those documents to make one or more specified  
4 persons liable for all or specified debts, liabilities, and  
5 other obligations of the organization solely by reason of  
6 the person or persons co-owning, having an interest in, or  
7 being a member of the organization.

8 (11) "Surviving organization" means an organization into  
9 which one or more other organizations are merged. A surviving  
10 organization may preexist the merger or be created by the  
11 merger.

12 Section 1102. Conversion.

13 (a) An organization other than a limited partnership may  
14 convert to a limited partnership, and a limited partnership may  
15 convert to another organization pursuant to this Section and  
16 Sections 1103 through 1105 and a plan of conversion, if:

17 (1) the other organization's governing statute  
18 authorizes the conversion;

19 (2) the conversion is not prohibited by the law of the  
20 jurisdiction that enacted the governing statute; and

21 (3) the other organization complies with its governing  
22 statute in effecting the conversion.

23 (b) A plan of conversion must be in a record and must  
24 include:

25 (1) the name and form of the organization before  
26 conversion;

27 (2) the name and form of the organization after  
28 conversion; and

29 (3) the terms and conditions of the conversion,  
30 including the manner and basis for converting interests in  
31 the converting organization into any combination of money,  
32 interests in the converted organization, and other  
33 consideration; and

1           (4) the organizational documents of the converted  
2 organization.

3           Section 1103. Action on plan of conversion by converting  
4 limited partnership.

5           (a) Subject to Section 1110, a plan of conversion must be  
6 consented to by all the partners of a converting limited  
7 partnership.

8           (b) Subject to Section 1110 and any contractual rights,  
9 after a conversion is approved, and at any time before a filing  
10 is made under Section 1104, a converting limited partnership  
11 may amend the plan or abandon the planned conversion:

12                 (1) as provided in the plan; and

13                 (2) except as prohibited by the plan, by the same  
14 consent as was required to approve the plan.

15           Section 1104. Filings required for conversion; effective  
16 date.

17           (a) After a plan of conversion is approved:

18                 (1) a converting limited partnership shall deliver to  
19 the Secretary of State for filing articles of conversion,  
20 which must include:

21                         (A) a statement that the limited partnership has  
22 been converted into another organization;

23                         (B) the name and form of the organization and the  
24 jurisdiction of its governing statute;

25                         (C) the date the conversion is effective under the  
26 governing statute of the converted organization;

27                         (D) a statement that the conversion was approved as  
28 required by this Act;

29                         (E) a statement that the conversion was approved as  
30 required by the governing statute of the converted  
31 organization; and

32                         (F) if the converted organization is a foreign



1 organization not authorized to transact business in  
2 this State, the street and mailing address of an office  
3 which the Secretary of State may use for the purposes  
4 of Section 1105(c); and

5 (2) if the converting organization is not a converting  
6 limited partnership, the converting organization shall  
7 deliver to the Secretary of State for filing a certificate  
8 of limited partnership, which must include, in addition to  
9 the information required by Section 201:

10 (A) a statement that the limited partnership was  
11 converted from another organization;

12 (B) the name and form of the organization and the  
13 jurisdiction of its governing statute; and (C) a  
14 statement that the conversion was approved in a manner  
15 that complied with the organization's governing  
16 statute.

17 (b) A conversion becomes effective:

18 (1) if the converted organization is a limited  
19 partnership, when the certificate of limited partnership  
20 takes effect; and

21 (2) if the converted organization is not a limited  
22 partnership, as provided by the governing statute of  
23 the converted organization.

24 Section 1105. Effect of conversion.

25 (a) An organization that has been converted pursuant to  
26 this Article is for all purposes the same entity that existed  
27 before the conversion.

28 (b) When a conversion takes effect:

29 (1) all property owned by the converting organization  
30 remains vested in the converted organization;

31 (2) all debts, liabilities, and other obligations of  
32 the converting organization continue as obligations of the  
33 converted organization;

1           (3) an action or proceeding pending by or against the  
2           converting organization may be continued as if the  
3           conversion had not occurred;

4           (4) except as prohibited by other law, all of the  
5           rights, privileges, immunities, powers, and purposes of  
6           the converting organization remain vested in the converted  
7           organization;

8           (5) except as otherwise provided in the plan of  
9           conversion, the terms and conditions of the plan of  
10          conversion take effect; and

11          (6) except as otherwise agreed, the conversion does not  
12          dissolve a converting limited partnership for the purposes  
13          of Article 8.

14          (c) A converted organization that is a foreign organization  
15          consents to the jurisdiction of the courts of this State to  
16          enforce any obligation owed by the converting limited  
17          partnership, if before the conversion the converting limited  
18          partnership was subject to suit in this State on the  
19          obligation. A converted organization that is a foreign  
20          organization and not authorized to transact business in this  
21          State appoints the Secretary of State as its agent for service  
22          of process for purposes of enforcing an obligation under this  
23          subsection. Service on the Secretary of State under this  
24          subsection is made in the same manner and with the same  
25          consequences as in Section 117(c) and (d).

26          Section 1106. Merger.

27          (a) A limited partnership may merge with one or more other  
28          constituent organizations pursuant to this Section and  
29          Sections 1107 through 1109 and a plan of merger, if:

30               (1) the governing statute of each the other  
31               organizations authorizes the merger;

32               (2) the merger is not prohibited by the law of a  
33               jurisdiction that enacted any of those governing statutes;

1 and

2 (3) each of the other organizations complies with its  
3 governing statute in effecting the merger.

4 (b) A plan of merger must be in a record and must include:

5 (1) the name and form of each constituent organization;

6 (2) the name and form of the surviving organization  
7 and, if the surviving organization is to be created by the  
8 merger, a statement to that effect;

9 (3) the terms and conditions of the merger, including  
10 the manner and basis for converting the interests in each  
11 constituent organization into any combination of money,  
12 interests in the surviving organization, and other  
13 consideration;

14 (4) if the surviving organization is to be created by  
15 the merger, the surviving organization's organizational  
16 documents; and

17 (5) if the surviving organization is not to be created  
18 by the merger, any amendments to be made by the merger to  
19 the surviving organization's organizational documents.

20 Section 1107. Action on plan of merger by constituent  
21 limited partnership.

22 (a) Subject to Section 1110, a plan of merger must be  
23 consented to by all the partners of a constituent limited  
24 partnership.

25 (b) Subject to Section 1110 and any contractual rights,  
26 after a merger is approved, and at any time before a filing is  
27 made under Section 1108, a constituent limited partnership may  
28 amend the plan or abandon the planned merger:

29 (1) as provided in the plan; and

30 (2) except as prohibited by the plan, with the same  
31 consent as was required to approve the plan.

32 Section 1108. Filings required for merger; effective date.

1 (a) After each constituent organization has approved a  
2 merger, articles of merger must be signed on behalf of:

3 (1) each preexisting constituent limited partnership,  
4 by each general partner listed in the certificate of  
5 limited partnership; and

6 (2) each other preexisting constituent organization,  
7 by an authorized representative.

8 (b) The articles of merger must include:

9 (1) the name and form of each constituent organization  
10 and the jurisdiction of its governing statute;

11 (2) the name and form of the surviving organization,  
12 the jurisdiction of its governing statute, and, if the  
13 surviving organization is created by the merger, a  
14 statement to that effect;

15 (3) the date the merger is effective under the  
16 governing statute of the surviving organization;

17 (4) if the surviving organization is to be created by  
18 the merger:

19 (A) if it will be a limited partnership, the  
20 limited partnership's certificate of limited  
21 partnership; or

22 (B) if it will be an organization other than a  
23 limited partnership, the organizational document that  
24 creates the organization;

25 (5) if the surviving organization preexists the  
26 merger, any amendments provided for in the plan of merger  
27 for the organizational document that created the  
28 organization;

29 (6) a statement as to each constituent organization  
30 that the merger was approved as required by the  
31 organization's governing statute;

32 (7) if the surviving organization is a foreign  
33 organization not authorized to transact business in this  
34 State, the street and mailing address of an office which

1 the Secretary of State may use for the purposes of Section  
2 1109(b); and

3 (8) any additional information required by the  
4 governing statute of any constituent organization.

5 (c) Each constituent limited partnership shall deliver the  
6 articles of merger for filing in the Office of the Secretary of  
7 State.

8 (d) A merger becomes effective under this Article:

9 (1) if the surviving organization is a limited  
10 partnership, upon the later of:

11 (i) compliance with subsection (c); or

12 (ii) subject to Section 206(c), as specified in the  
13 articles of merger; or

14 (2) if the surviving organization is not a limited  
15 partnership, as provided by the governing statute of the  
16 surviving organization.

17 Section 1109. Effect of merger.

18 (a) When a merger becomes effective:

19 (1) the surviving organization continues or comes into  
20 existence;

21 (2) each constituent organization that merges into the  
22 surviving organization ceases to exist as a separate  
23 entity;

24 (3) all property owned by each constituent  
25 organization that ceases to exist vests in the surviving  
26 organization;

27 (4) all debts, liabilities, and other obligations of  
28 each constituent organization that ceases to exist  
29 continue as obligations of the surviving organization;

30 (5) an action or proceeding pending by or against any  
31 constituent organization that ceases to exist may be  
32 continued as if the merger had not occurred;

33 (6) except as prohibited by other law, all of the

1 rights, privileges, immunities, powers, and purposes of  
2 each constituent organization that ceases to exist vest in  
3 the surviving organization;

4 (7) except as otherwise provided in the plan of merger,  
5 the terms and conditions of the plan of merger take effect;

6 (8) except as otherwise agreed, if a constituent  
7 limited partnership ceases to exist, the merger does not  
8 dissolve the limited partnership for the purposes of  
9 Article 8;

10 (9) if the surviving organization is created by the  
11 merger:

12 (A) if it is a limited partnership, the certificate  
13 of limited partnership becomes effective; or

14 (B) if it is an organization other than a limited  
15 partnership, the organizational document that creates  
16 the organization becomes effective; and

17 (10) if the surviving organization preexists the  
18 merger, any amendments provided for in the articles of  
19 merger for the organizational document that created the  
20 organization become effective.

21 (b) A surviving organization that is a foreign organization  
22 consents to the jurisdiction of the courts of this State to  
23 enforce any obligation owed by a constituent organization, if  
24 before the merger the constituent organization was subject to  
25 suit in this State on the obligation. A surviving organization  
26 that is a foreign organization and not authorized to transact  
27 business in this State appoints the Secretary of State as its  
28 agent for service of process for the purposes of enforcing an  
29 obligation under this subsection. Service on the Secretary of  
30 State under this subsection is made in the same manner and with  
31 the same consequences as in Section 117(c) and (d).

32 Section 1110. Restrictions on approval of conversions and  
33 mergers and on relinquishing LLLP status.

1 (a) If a partner of a converting or constituent limited  
2 partnership will have personal liability with respect to a  
3 converted or surviving organization, approval and amendment of  
4 a plan of conversion or merger are ineffective without the  
5 consent of the partner, unless:

6 (1) the limited partnership's partnership agreement  
7 provides for the approval of the conversion or merger with  
8 the consent of fewer than all the partners; and

9 (2) the partner has consented to the provision of the  
10 partnership agreement.

11 (b) An amendment to a certificate of limited partnership  
12 which deletes a statement that the limited partnership is a  
13 limited liability limited partnership is ineffective without  
14 the consent of each general partner unless:

15 (1) the limited partnership's partnership agreement  
16 provides for the amendment with the consent of less than  
17 all the general partners; and

18 (2) each general partner that does not consent to the  
19 amendment has consented to the provision of the partnership  
20 agreement.

21 (c) A partner does not give the consent required by  
22 subsection (a) or (b) merely by consenting to a provision of  
23 the partnership agreement which permits the partnership  
24 agreement to be amended with the consent of fewer than all the  
25 partners.

26 Section 1111. Liability of general partner after  
27 conversion or merger.

28 (a) A conversion or merger under this Article does not  
29 discharge any liability under Sections 404 and 607 of a person  
30 that was a general partner in or dissociated as a general  
31 partner from a converting or constituent limited partnership,  
32 but:

33 (1) the provisions of this Act pertaining to the

1 collection or discharge of the liability continue to apply  
2 to the liability;

3 (2) for the purposes of applying those provisions, the  
4 converted or surviving organization is deemed to be the  
5 converting or constituent limited partnership; and

6 (3) if a person is required to pay any amount under  
7 this subsection:

8 (A) the person has a right of contribution from  
9 each other person that was liable as a general partner  
10 under Section 404 when the obligation was incurred and  
11 has not been released from the obligation under Section  
12 607; and

13 (B) the contribution due from each of those persons  
14 is in proportion to the right to receive distributions  
15 in the capacity of general partner in effect for each  
16 of those persons when the obligation was incurred.

17 (b) In addition to any other liability provided by law:

18 (1) a person that immediately before a conversion or  
19 merger became effective was a general partner in a  
20 converting or constituent limited partnership that was not  
21 a limited liability limited partnership is personally  
22 liable for each obligation of the converted or surviving  
23 organization arising from a transaction with a third party  
24 after the conversion or merger becomes effective, if, at  
25 the time the third party enters into the transaction, the  
26 third party:

27 (A) does not have notice of the conversion or  
28 merger; and

29 (B) reasonably believes that:

30 (i) the converted or surviving business is the  
31 converting or constituent limited partnership;

32 (ii) the converting or constituent limited  
33 partnership is not a limited liability limited  
34 partnership; and



1 (iii) the person is a general partner in the  
2 converting or constituent limited partnership; and

3 (2) a person that was dissociated as a general partner  
4 from a converting or constituent limited partnership  
5 before the conversion or merger became effective is  
6 personally liable for each obligation of the converted or  
7 surviving organization arising from a transaction with a  
8 third party after the conversion or merger becomes  
9 effective, if:

10 (A) immediately before the conversion or merger  
11 became effective the converting or surviving limited  
12 partnership was a not a limited liability limited  
13 partnership; and

14 (B) at the time the third party enters into the  
15 transaction less than two years have passed since the  
16 person dissociated as a general partner and the third  
17 party:

18 (i) does not have notice of the dissociation;

19 (ii) does not have notice of the conversion or  
20 merger; and

21 (iii) reasonably believes that the converted  
22 or surviving organization is the converting or  
23 constituent limited partnership, the converting or  
24 constituent limited partnership is not a limited  
25 liability limited partnership, and the person is a  
26 general partner in the converting or constituent  
27 limited partnership.

28 Section 1112. Power of general partners and persons  
29 dissociated as general partners to bind organization after  
30 conversion or merger.

31 (a) An act of a person that immediately before a conversion  
32 or merger became effective was a general partner in a  
33 converting or constituent limited partnership binds the

1 converted or surviving organization after the conversion or  
2 merger becomes effective, if:

3 (1) before the conversion or merger became effective,  
4 the act would have bound the converting or constituent  
5 limited partnership under Section 402; and

6 (2) at the time the third party enters into the  
7 transaction, the third party:

8 (A) does not have notice of the conversion or  
9 merger; and

10 (B) reasonably believes that the converted or  
11 surviving business is the converting or constituent  
12 limited partnership and that the person is a general  
13 partner in the converting or constituent limited  
14 partnership.

15 (b) An act of a person that before a conversion or merger  
16 became effective was dissociated as a general partner from a  
17 converting or constituent limited partnership binds the  
18 converted or surviving organization after the conversion or  
19 merger becomes effective, if:

20 (1) before the conversion or merger became effective,  
21 the act would have bound the converting or constituent  
22 limited partnership under Section 402 if the person had  
23 been a general partner; and

24 (2) at the time the third party enters into the  
25 transaction, less than two years have passed since the  
26 person dissociated as a general partner and the third  
27 party:

28 (A) does not have notice of the dissociation;

29 (B) does not have notice of the conversion or  
30 merger; and

31 (C) reasonably believes that the converted or  
32 surviving organization is the converting or  
33 constituent limited partnership and that the person is  
34 a general partner in the converting or constituent

1           limited partnership.

2           (c) If a person having knowledge of the conversion or  
3 merger causes a converted or surviving organization to incur an  
4 obligation under subsection (a) or (b), the person is liable:

5           (1) to the converted or surviving organization for any  
6 damage caused to the organization arising from the  
7 obligation; and

8           (2) if another person is liable for the obligation, to  
9 that other person for any damage caused to that other  
10 person arising from the liability.

11           Section 1113. Article not exclusive. This Article does not  
12 preclude an entity from being converted or merged under other  
13 law.

14   ARTICLE 12

15   MISCELLANEOUS PROVISIONS

16           Section 1201. Uniformity of application and construction.  
17 In applying and construing this Uniform Act, consideration must  
18 be given to the need to promote uniformity of the law with  
19 respect to its subject matter among States that enact it.

20           Section 1202. Severability clause. If any provision of this  
21 Act or its application to any person or circumstance is held  
22 invalid, the invalidity does not affect other provisions or  
23 applications of this Act which can be given effect without the  
24 invalid provision or application, and to this end the  
25 provisions of this Act are severable.

26           Section 1203. Relation to Electronic Signatures in Global  
27 and National Commerce Act. This Act modifies, limits, or  
28 supersedes the federal Electronic Signatures in Global and  
29 National Commerce Act, 15 U.S.C. Section 7001 et seq., but this

1 Act does not modify, limit, or supersede Section 101(c) of that  
2 Act or authorize electronic delivery of any of the notices  
3 described in Section 103(b) of that Act.

4 Section 1204. Effective date. (See Section 1402 for  
5 effective date.)

6 Section 1205. Repeals. (See Section 1401 for repeals.)

7 Section 1206. Application to existing relationships.

8 (a) Before January 1, 2008, this Act governs only:

9 (1) a limited partnership formed on or after January 1,  
10 2005; and

11 (2) except as otherwise provided in subsections (c) and  
12 (d), a limited partnership formed before January 1, 2005  
13 which elects, in the manner provided in its partnership  
14 agreement or by law for amending the partnership agreement,  
15 to be subject to this Act.

16 (b) Except as otherwise provided in subsection (c), on and  
17 after January 1, 2008 this Act governs all limited  
18 partnerships.

19 (c) With respect to a limited partnership formed before  
20 January 1, 2005, the following rules apply except as the  
21 partners otherwise elect in the manner provided in the  
22 partnership agreement or by law for amending the partnership  
23 agreement:

24 (1) Section 104(c) does not apply and the limited  
25 partnership has whatever duration it had under the law  
26 applicable immediately before January 1, 2005.

27 (2) Section 108(d) does not apply.

28 (3) The limited partnership is not required to amend  
29 its certificate of limited partnership to comply with  
30 Section 201(a)(4).

31 (4) Sections 601 and 602 do not apply and a limited

1 partner has the same right and power to dissociate from the  
2 limited partnership, with the same consequences, as  
3 existed immediately before January 1, 2005.

4 (5) Section 603(4) does not apply.

5 (6) Section 603(5) does not apply and a court has the  
6 same power to expel a general partner as the court had  
7 immediately before January 1, 2005.

8 (7) Section 801(3) does not apply and the connection  
9 between a person's dissociation as a general partner and  
10 the dissolution of the limited partnership is the same as  
11 existed immediately before January 1, 2005.

12 (d) With respect to a limited partnership that elects  
13 pursuant to subsection (a)(2) to be subject to this Act, after  
14 the election takes effect the provisions of this Act relating  
15 to the liability of the limited partnership's general partners  
16 to third parties apply:

17 (1) before January 1, 2008, to:

18 (A) a third party that had not done business with  
19 the limited partnership in the year before the election  
20 took effect; and

21 (B) a third party that had done business with the  
22 limited partnership in the year before the election  
23 took effect only if the third party knows or has  
24 received a notification of the election; and

25 (2) on and after January 1, 2008, to all third parties,  
26 but those provisions remain inapplicable to any obligation  
27 incurred while those provisions were inapplicable under  
28 paragraph (1)(B).

29 Section 1207. Savings clause. This Act does not affect an  
30 action commenced, proceeding brought, or right accrued before  
31 this Act takes effect.

32 Section 1207.1. The State Finance Act is amended by adding

1 Section 5.625 as follows:

2 (30 ILCS 105/5.625 new)

3 Sec. 5.625. The Department of Business Services Special  
4 Operations Fund.

5 Section 1207.2. The Criminal Code of 1961 is amended by  
6 changing Section 17-12 as follows:

7 (720 ILCS 5/17-12)

8 Sec. 17-12. Fraudulent advertisement of corporate name. If  
9 a company, association, or person puts forth a sign or  
10 advertisement and assumes, for the purpose of soliciting  
11 business, a corporate name, not being incorporated, the  
12 company, association, or person commits a petty offense and is  
13 guilty of an additional petty offense for each day he, she, or  
14 it continues to so offend.

15 Nothing contained in this Section prohibits a corporation,  
16 company, association, or person from using a divisional  
17 designation or trade name in conjunction with its corporate  
18 name or assumed name under Section 4.05 of the Business  
19 Corporation Act of 1983 or, if it is a member of a partnership  
20 or joint venture, from doing partnership or joint venture  
21 business under the partnership or joint venture name. The name  
22 under which the joint venture or partnership does business may  
23 differ from the names of the members. Business may not be  
24 conducted or transacted under that joint venture or partnership  
25 name, however, unless all provisions of the Assumed Business  
26 Name Act have been complied with. Nothing in this Section  
27 permits a foreign corporation to do business in this State  
28 without complying with all Illinois laws regulating the doing  
29 of business by foreign corporations. No foreign corporation may  
30 conduct or transact business in this State as a member of a  
31 partnership or joint venture that violates any Illinois law

1 regulating or pertaining to the doing of business by foreign  
2 corporations in Illinois.

3 The provisions of this Section do not apply to limited  
4 partnerships formed under the Revised Uniform Limited  
5 Partnership Act or under the Uniform Limited Partnership Act  
6 (2001).

7 (Source: P.A. 89-234, eff. 1-1-96; 89-626, eff. 8-9-96.)

8 Section 1207.3. The Limited Liability Company Act is  
9 amended by changing Section 37-5 as follows:

10 (805 ILCS 180/37-5)

11 Sec. 37-5. Definitions. In this Article:

12 "Corporation" means (i) a corporation under the Business  
13 Corporation Act of 1983, a predecessor law, or comparable law  
14 of another jurisdiction or (ii) a bank or savings bank.

15 "General partner" means a partner in a partnership and a  
16 general partner in a limited partnership.

17 "Limited partner" means a limited partner in a limited  
18 partnership.

19 "Limited partnership" means a limited partnership created  
20 under the ~~Revised~~ Uniform Limited Partnership Act (2001), a  
21 predecessor law, or comparable law of another jurisdiction.

22 "Partner" includes a general partner and a limited partner.

23 "Partnership" means a general partnership under the  
24 Uniform Partnership Act, a predecessor law, or comparable law  
25 of another jurisdiction.

26 "Partnership agreement" means an agreement among the  
27 partners concerning the partnership or limited partnership.

28 "Shareholder" means a shareholder in a corporation.

29 (Source: P.A. 93-561, eff. 1-1-04.)

30 Section 1207.4. The Uniform Partnership Act (1997) is  
31 amended by changing Sections 901 and 902 as follows:

1 (805 ILCS 206/901)

2 Sec. 901. Definitions. In this Article:

3 (1) "General partner" means a partner in a partnership  
4 and a general partner in a limited partnership.

5 (2) "Limited partner" means a limited partner in a  
6 limited partnership.

7 (3) "Limited partnership" means a limited partnership  
8 created under the ~~Revised~~ Uniform Limited Partnership Act  
9 (2001), predecessor law, or comparable law of another  
10 jurisdiction.

11 (4) "Partner" includes both a general partner and a  
12 limited partner.

13 (Source: P.A. 92-740, eff. 1-1-03.)

14 (805 ILCS 206/902)

15 Sec. 902. Conversion of partnership to limited  
16 partnership.

17 (a) A partnership may be converted to a limited partnership  
18 pursuant to this Section.

19 (b) The terms and conditions of a conversion of a  
20 partnership to a limited partnership must be approved by all of  
21 the partners or by a number or percentage specified for  
22 conversion in the partnership agreement.

23 (c) After the conversion is approved by the partners, the  
24 partnership shall file a certificate of limited partnership in  
25 the jurisdiction in which the limited partnership is to be  
26 formed. The certificate must include:

27 (1) a statement that the partnership was converted to a  
28 limited partnership from a partnership;

29 (2) its former name; and

30 (3) a statement of the number of votes cast by the  
31 partners for and against the conversion and, if the vote is  
32 less than unanimous, the number or percentage required to



1 approve the conversion under the partnership agreement.

2 (d) The conversion takes effect when the certificate of  
3 limited partnership is filed or at any later date specified in  
4 the certificate.

5 (e) A general partner who becomes a limited partner as a  
6 result of the conversion remains liable as a general partner  
7 for an obligation incurred by the partnership before the  
8 conversion takes effect. If the other party to a transaction  
9 with the limited partnership reasonably believes when entering  
10 the transaction that the limited partner is a general partner,  
11 the limited partner is liable for an obligation incurred by the  
12 limited partnership within 90 days after the conversion takes  
13 effect. The limited partner's liability for all other  
14 obligations of the limited partnership incurred after the  
15 conversion takes effect is that of a limited partner as  
16 provided in the ~~Revised~~ Uniform Limited Partnership Act (2001).  
17 (Source: P.A. 92-740, eff. 1-1-03.)

18 ARTICLE 13

19 FEES AND OTHER MATTERS

20 Section 1301. List of partnerships.

21 (a) The Secretary of State may publish a list or lists of  
22 limited partnerships and foreign limited partnerships, with  
23 such frequency, in such format, and for such fees as the  
24 Secretary may in his or her discretion provide by rule. The  
25 Secretary may disseminate information concerning limited  
26 partnerships and foreign limited partnerships by computer  
27 network, in such format and for such fees as may be determined  
28 by rule.

29 (b) Any list published under subsection (a) shall be free  
30 to each member of the General Assembly and to each State agency  
31 or department and to each Recorder in this State, submitting a  
32 written request for same. To all others an appropriate fee to

1 cover the cost of producing the list shall be charged, and  
2 shall be established by rule.

3 Section 1302. Fees.

4 (a) The Secretary of State shall charge and collect in  
5 accordance with the provisions of this Act and rules  
6 promulgated pursuant to its authority:

7 (1) fees for filing documents;

8 (2) miscellaneous charges;

9 (3) fees for the sale of lists of filings, copies of  
10 any documents, and for the sale or release of any  
11 information.

12 (b) The Secretary of State shall charge and collect for:

13 (1) filing certificates of limited partnership  
14 (domestic), certificates of admission (foreign), restated  
15 certificates of limited partnership (domestic), and  
16 restated certificates of admission (foreign), \$150;

17 (2) filing certificates to be governed by this Act,  
18 \$50;

19 (3) filing amendments and certificates of amendment,  
20 \$50;

21 (4) filing certificates of cancellation, \$25;

22 (5) filing an application for use of an assumed name  
23 under Section 108.5 of this Act, \$150 for each year or part  
24 thereof ending in 0 or 5, \$120 for each year or part  
25 thereof ending in 1 or 6, \$90 for each year or part thereof  
26 ending in 2 or 7, \$60 for each year or part thereof ending  
27 in 3 or 8, \$30 for each year or part thereof ending in 4 or  
28 9, and a renewal for each assumed name, \$150;

29 (6) filing an annual report of a domestic or foreign  
30 limited partnership, \$100;

31 (7) filing an application for reinstatement of a  
32 domestic or foreign limited partnership, and for issuing a  
33 certificate of reinstatement, \$200;

1 (8) filing any other document, \$50.

2 (c) The Secretary of State shall charge and collect:

3 (1) for furnishing a copy or certified copy of any  
4 document, instrument or paper relating to a limited  
5 partnership or foreign limited partnership, \$25; and

6 (2) for the transfer of information by computer process  
7 media to any purchaser, fees established by rule.

8 Section 1303. Powers of the Secretary of State and  
9 rulemaking.

10 (a) The Secretary of State shall have the power and  
11 authority reasonably necessary to administer this Act  
12 efficiently and to perform the duties herein imposed. The  
13 Secretary of State's function pursuant to this Act is to be a  
14 central depository for the certificates of limited partnership  
15 and certificates of admission required by this Act and to  
16 record the assumed names used by limited partnerships and  
17 foreign limited partnerships.

18 (b) The Secretary of State shall have authority to  
19 promulgate rules pursuant to the Illinois Administrative  
20 Procedure Act, as are necessary to administer this Act  
21 efficiently and to perform the duties herein imposed.

22 Section 1304. Certified copies and certificates.

23 (a) Copies, photostatic or otherwise, of any and all  
24 documents filed in the Office of the Secretary of State in  
25 accordance with the provisions of this Act, when certified by  
26 the Secretary of State under the Great Seal of the State of  
27 Illinois, shall be taken and received in all courts, public  
28 offices and official bodies as prima facie evidence of the  
29 facts therein stated.

30 (b) Certificates by the Secretary of State under the Great  
31 Seal of the State of Illinois as to the existence or  
32 nonexistence of facts relating to limited partnerships, or

1 foreign limited partnerships, which would not appear from a  
2 certified copy of any document, shall be taken and received in  
3 all courts, public offices and official bodies as prima facie  
4 evidence of the existence or nonexistence of the facts therein  
5 stated.

6 Section 1305. Federal Employers Identification Number. All  
7 documents required by this Act to be filed in the Office of the  
8 Secretary of State shall contain the Federal Employers  
9 Identification Number of the limited partnership or foreign  
10 limited partnership with respect to which the document is  
11 filed, unless the partnership has not obtained a Federal  
12 Employer Identification Number at the time of filing. In the  
13 event a limited partnership or foreign limited partnership does  
14 not have a Federal Employer Identification Number at the time  
15 of such filing, such a number shall be obtained on behalf of  
16 such partnership and shall be given to the Secretary of State  
17 within 180 days after filing its initial document with the  
18 Secretary of State.

19 Section 1306. Forms. All documents required by this Act to  
20 be filed in the Office of the Secretary of State shall be made  
21 on or accompanied by forms which shall be prescribed and  
22 furnished by the Secretary of State.

23 Section 1307. File number. All documents required by this  
24 Act to be filed in the Office of the Secretary of State, with  
25 the exception of each domestic or foreign limited partnership's  
26 initial filing, shall contain the limited partnership's file  
27 number as assigned by the Office of the Secretary of State.

28 Section 1308. Department of Business Services Special  
29 Operations Fund.

30 (a) A special fund in the State Treasury is created and

1 shall be known as the Department of Business Services Special  
2 Operations Fund. Moneys deposited into the Fund shall, subject  
3 to appropriation, be used by the Department of Business  
4 Services of the Office of the Secretary of State, hereinafter  
5 "Department", to create and maintain the capability to perform  
6 expedited services in response to special requests made by the  
7 public for same day or 24 hour service. Moneys deposited into  
8 the Fund shall be used for, but not limited to, expenditures  
9 for personal services, retirement, social security contractual  
10 services, equipment, electronic data processing, and  
11 telecommunications.

12 (b) The balance in the Fund at the end of any fiscal year  
13 shall not exceed \$600,000 and any amount in excess thereof  
14 shall be transferred to the General Revenue Fund.

15 (c) All fees payable to the Secretary of State under this  
16 Section shall be deposited into the Fund. No other fees or  
17 charges collected under this Act shall be deposited into the  
18 Fund.

19 (d) "Expedited services" means services rendered within  
20 the same day, or within 24 hours from the time the request  
21 therefor is submitted by the filer, law firm, service company,  
22 or messenger physically in person, or at the Secretary of  
23 State's discretion, by electronic means, to the Department's  
24 Springfield Office or Chicago Office and includes requests for  
25 certified copies, photocopies, and certificates of existence  
26 or abstracts of computer record made to the Department's  
27 Springfield Office in person or by telephone, or requests for  
28 certificates of existence or abstracts of computer record made  
29 in person or by telephone to the Department's Chicago Office.

30 (e) Fees for expedited services shall be as follows:

31 Merger or conversion, \$200;

32 Certificate of limited partnership, \$100;

33 Certificate of amendment, \$100;

34 Reinstatement, \$100;

1           Application for admission to transact business, \$100;  
2           Certificate of cancellation of admission, \$100;  
3           Certificate of existence or abstract of computer  
4           record, \$20.  
5           All other filings, copies of documents, annual renewal  
6           reports, and copies of documents of canceled limited  
7           partnerships, \$50.

8           Section 1309. Judicial review under the Administrative  
9           Review Law.

10          (a) If the Secretary of State shall fail to approve  
11          documents as conforming to the law and file any document  
12          required by this Act to be approved by the Secretary of State  
13          before the same shall be filed in his or her business office,  
14          the Secretary shall, within 10 business days after the delivery  
15          thereof to him or her, give written notice of his or her  
16          disapproval to the person or partnership delivering the same,  
17          specifying the reasons therefor. The decision of the Secretary  
18          of State is subject to judicial review under the Administrative  
19          Review Law, as now or hereafter amended.

20          (b) Appeals may be taken from all final orders and  
21          judgments entered by the circuit court under this Section in  
22          review of any ruling or decision of the Secretary of State as  
23          in other civil actions by either party to the proceeding.

24          Section 1310. Illinois Administrative Procedure Act. The  
25          Illinois Administrative Procedure Act is hereby expressly  
26          adopted and incorporated herein as if all of the provisions of  
27          that Act were included in this Act, except that the provision  
28          of subsection (d) of Section 10-65 of the Illinois  
29          Administrative Procedure Act that provides that at hearing the  
30          licensee has the right to show compliance with all lawful  
31          requirements for retention, continuation or renewal of the  
32          license is specifically excluded. For the purposes of this Act

1 the notice required under Section 10-25 of the Illinois  
2 Administrative Procedure Act is deemed sufficient when mailed  
3 to the last known address of a party.

4 ARTICLE 14

5 REPEAL AND EFFECTIVE DATE

6 (805 ILCS 210/Act rep.)

7 Section 1401. Repeal. Effective January 1, 2008, the  
8 following Act is repealed: the Revised Uniform Limited  
9 Partnership Act as amended and in effect immediately before the  
10 effective date of this Act.

11 Section 1402. Effective date. This Act takes effect January  
12 1, 2005.".