

AN ACT concerning limited partnerships.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

ARTICLE 1

GENERAL PROVISIONS

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

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

Section 102. Definitions. In this Act:

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

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

(3) "Certificate of limited partnership" means the certificate required by Section 201. The term includes the certificate as amended or restated.

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

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

(A) an order for relief under Title 11 of the

United States Code or a comparable order under a successor statute of general application; or

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

(6) "Designated office" means:

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

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

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

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

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

(10) "General partner" means:

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

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

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

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

partnership.

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

(12) "Limited partner" means:

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

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

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

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

(13) "Limited partnership", except in the phrases "foreign limited partnership" and "foreign limited liability limited partnership", means an entity, having one or more general partners and one or more limited partners, which is formed under this Act by two or more persons or becomes subject to this Act under Article 11 or Section 1206(a) or (b). The term includes a limited liability limited partnership.

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

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

(16) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government;

governmental subdivision, agency, or instrumentality; public corporation, or any other legal or commercial entity.

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

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

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

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

(21) "Sign" means:

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

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

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

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

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

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

Section 103. Knowledge and notice.

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

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

(1) knows of it;

(2) has received a notification of it;

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

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

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

(d) A person has notice of:

(1) another person's dissociation as a general partner, 90 days after the effective date of an amendment to the certificate of limited partnership which states that the other person has dissociated or 90 days after the effective date of a statement of dissociation pertaining to the other person, whichever occurs first;

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

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

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

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

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

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

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

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

(g) Except as otherwise provided in subsection (h), a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the person knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual exercises reasonable diligence if it maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

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

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

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

is a limited liability limited partnership.

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

(c) A limited partnership has a perpetual duration.

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

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

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

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

(b) If an obligation to pay interest arises under this Act

and the rate is not specified, the rate is that specified in Section 4 of the Interest Act.

Section 108. Name.

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

(b) The name of a limited partnership that is not a limited liability limited partnership must contain the phrase "limited partnership" or the abbreviation "L.P." or "LP" and may not contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P.".

(c) The name of a limited liability limited partnership must contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P." and must not contain the abbreviation "L.P." or "LP".

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

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

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

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

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



for;

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

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

(A) has merged into the applicant;

(B) has been converted into the applicant; or

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

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

(g) Nothing in this Section shall:

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

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

Section 108.5. Assumed name.

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

"L.L.L.P."

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

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

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

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

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

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

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

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

(d) The right to use an assumed name shall be effective from the date of filing by the Secretary of State until the first day of the anniversary month of the limited partnership or foreign limited partnership that falls within the next calendar year evenly divisible by 5, however, if an application is filed within the 3 months immediately preceding the anniversary month of a limited partnership or foreign limited partnership that falls within a calendar year evenly divisible

by 5, the right to use the assumed name shall be effective until the first day of the anniversary month of the limited partnership or foreign limited partnership that falls within the next succeeding year evenly divisible by 5.

(e) A limited partnership or foreign limited partnership may renew the right to use its assumed name or names, if any, within the 60 days preceding the expiration of such right, for a period of 5 years, by making an election to do so on a form prescribed by the Secretary of State and by paying the renewal fee as prescribed by this Act.

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

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

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

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

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

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

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

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

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

(2) if the limited partnership or foreign limited partnership has filed an application to change or cancel an

assumed name;

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

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

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

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

Section 109. Reservation of name.

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

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

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

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

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

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

(6) a foreign limited partnership formed under a name that does not comply with Section 108(b) or (c), but the

name reserved under this paragraph may differ from the foreign limited partnership's name only to the extent necessary to comply with Section 108(b) and (c).

(b) A person may apply to reserve a name under subsection (a) by delivering to the Secretary of State for filing an application that states the name to be reserved and the paragraph of subsection (a) which applies. If the Secretary of State finds that the name is available for use by the applicant, the Secretary of State shall file a statement of name reservation and thereby reserve the name for the exclusive use of the applicant for 120 days.

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

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

Section 110. Effect of partnership agreement; nonwaivable provisions.

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

(b) A partnership agreement may not:

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

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

(3) vary the requirements of Section 204;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) unless contained in a partnership agreement made in

a record, a record stating:

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

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

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

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

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

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

Section 114. Office and agent for service of process.

(a) A limited partnership shall designate and continuously



maintain in this State:

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

(2) an agent for service of process.

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

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

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

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

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

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

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

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

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

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

Section 116. Resignation of agent for service of process.

(a) In order to resign as an agent for service of process of a limited partnership or foreign limited partnership, the

agent must deliver to the Secretary of State for filing a statement of resignation containing the name of the limited partnership or foreign limited partnership.

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

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

Section 117. Service of process.

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

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

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

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

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

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

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

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

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

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

Section 119. Locale misrepresentation.

(a) A person shall not advertise or cause to be listed in a telephone directory an assumed or fictitious business name that intentionally misrepresents where the business is actually located or operating or falsely states that the business is located or operating in the area covered by the telephone directory. This subsection (a) does not apply to a telephone service provider or to the publisher or distributor of a telephone service directory, unless the conduct prescribed in this subsection (a) is on behalf of that telephone service provider or that publisher or distributor.

(b) This Section does not apply to any foreign limited partnership that has gross annual revenues in excess of

\$100,000,000.

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

## ARTICLE 2

### FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP AND OTHER FILINGS

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

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

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

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

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

(4) whether the limited partnership is a limited liability limited partnership; and

(5) any additional information required by Article 11.

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

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

(d) Subject to subsection (b), if any provision of a partnership agreement is inconsistent with the filed

certificate of limited partnership or with a filed statement of dissociation, termination, or change or filed articles of conversion or merger:

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

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

Section 202. Amendment or restatement of certification.

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

(1) the name of the limited partnership;

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

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

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

(1) the admission of a new general partner;

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

or

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

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

(1) cause the certificate to be amended; or

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

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

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

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

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

- (1) the name of the limited partnership;
- (2) the date of filing of its initial certificate of limited partnership; and
- (3) any other information as determined by the general partners filing the statement or by a person appointed pursuant to Section 803(c) or (d).

Section 204. Signing of records.

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

- (1) An initial certificate of limited partnership must be signed by all general partners listed in the certificate.
- (2) An amendment adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate.
- (3) An amendment designating as general partner a person admitted under Section 801(3)(B) following the dissociation of a limited partnership's last general partner must be signed by that person.
- (4) An amendment required by Section 803(c) following

the appointment of a person to wind up the dissolved limited partnership's activities must be signed by that person.

(5) Any other amendment must be signed by:

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

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

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

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

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

(6) A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate must be signed in a manner that satisfies that paragraph.

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

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

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

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

certificate.

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

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

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

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

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

Section 205. Signing and filing pursuant to judicial order.

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

(1) the person to sign the record;

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

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

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

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

Section 206. Delivery to and filing of records by Secretary



of State; effective time and date.

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

(1) for a statement of dissociation, send:

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

(B) a copy of the filed statement and receipt to the limited partnership;

(2) for a statement of withdrawal, send:

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

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

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

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

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

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the

Secretary of State's endorsement of the date and time on the record;

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

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

(A) the specified date; or

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

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

(A) the specified date; or

(B) the 90th day after the record is filed.

Section 207. Correcting filed record.

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

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

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

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

(3) correct the incorrect information or defective signature.

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

- (1) for the purposes of Section 103(c) and (d); and
- (2) as to persons relying on the uncorrected record and adversely affected by the correction.

Section 208. Liability for false information in filed record.

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

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

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

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

Section 209. Certificate of existence or authorization.

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

- (1) the limited partnership's name;
  - (2) that it was duly formed under the laws of this State and the date of formation;
  - (3) whether all fees, taxes, and penalties due to the Secretary of State under this Act or other law have been paid;
  - (4) whether the limited partnership's most recent annual report required by Section 210 has been filed by the Secretary of State;
  - (5) whether the Secretary of State has administratively dissolved the limited partnership;
  - (6) whether the limited partnership's certificate of limited partnership has been amended to state that the limited partnership is dissolved;
  - (7) that a statement of termination has not been filed by the Secretary of State; and
  - (8) other facts of record in the Office of the Secretary of State which may be requested by the applicant.
- (b) The Secretary of State, upon request and payment of the requisite fee, shall furnish a certificate of authorization for a foreign limited partnership if the records filed in the Office of the Secretary of State show that the Secretary of State has filed a certificate of authority, has not revoked the certificate of authority, and has not filed a notice of cancellation. A certificate of authorization must state:
- (1) the foreign limited partnership's name and any alternate name adopted under Section 905(a) for use in this State;
  - (2) that it is authorized to transact business in this State;
  - (3) whether all fees, taxes, and penalties due to the Secretary of State under this Act or other law have been paid;
  - (4) whether the foreign limited partnership's most recent annual report required by Section 210 has been filed by the Secretary of State;

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

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

(c) Subject to any qualification stated in the certificate, a certificate of existence or authorization issued by the Secretary of State may be relied upon as conclusive evidence that the limited partnership or foreign limited partnership is in existence or is authorized to transact business in this State.

Section 210. Annual report for Secretary of State.

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

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

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

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

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

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

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

shall be signed by a general partner.

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

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

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

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

### ARTICLE 3

#### LIMITED PARTNERS

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

- (1) as provided in the partnership agreement;
- (2) as the result of a conversion or merger under

Article 11; or

(3) with the consent of all the partners.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) A limited partnership may charge a person that makes a demand under this Section reasonable costs of copying, limited



to the costs of labor and material.

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

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

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

Section 305. Limited duties of limited partners.

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

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

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

Section 306. Person erroneously believing self to be limited partner.

(a) Except as otherwise provided in subsection (b), a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has

become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person:

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

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

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

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

#### ARTICLE 4

#### GENERAL PARTNERS

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

- (1) as provided in the partnership agreement;
- (2) under Section 801(3)(B) following the dissociation of a limited partnership's last general partner;
- (3) as the result of a conversion or merger under Article 11; or
- (4) with the consent of all the partners.

Section 402. General partner agent of limited partnership.

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

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

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

(a) A limited partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner acting in the ordinary course of activities of the limited partnership or with authority of the limited partnership.

(b) If, in the course of the limited partnership's activities or while acting with authority of the limited partnership, a general partner receives or causes the limited

partnership to receive money or property of a person not a partner, and the money or property is misapplied by a general partner, the limited partnership is liable for the loss.

Section 404. General partner's liability.

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

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

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

Section 405. Actions by and against partnership and partners.

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

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

(c) A judgment creditor of a general partner may not levy

execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under Section 404 and:

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

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

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

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

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

Section 406. Management rights of general partner.

(a) Each general partner has equal rights in the management and conduct of the limited partnership's activities. Except as expressly provided in this Act, any matter relating to the activities of the limited partnership may be exclusively decided by the general partner or, if there is more than one general partner, by a majority of the general partners.

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

(1) amend the partnership agreement;

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

(3) sell, lease, exchange, or otherwise dispose of all,

or substantially all, of the limited partnership's property, with or without the good will, other than in the usual and regular course of the limited partnership's activities.

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

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

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

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

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

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

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

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

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

(1) without demand, any information concerning the limited partnership's activities and activities reasonably required for the proper exercise of the general partner's

rights and duties under the partnership agreement or this Act; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) to account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity;

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

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

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

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



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

## ARTICLE 5

### CONTRIBUTIONS AND DISTRIBUTIONS

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

Section 502. Liability for contribution.

(a) A partner's obligation to contribute money or other property or other benefit to, or to perform services for, a limited partnership is not excused by the partner's death, disability, or other inability to perform personally.

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

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

Section 503. Sharing of distributions. A distribution by a limited partnership must be shared among the partners on the basis of the value, as stated in the required records when the limited partnership decides to make the distribution, of the

contributions the limited partnership has received from each partner.

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

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

Section 506. Distribution in kind. A partner does not have a right to demand or receive any distribution from a limited partnership in any form other than cash. Subject to Section 812(b), a limited partnership may distribute an asset in kind to the extent each partner receives a percentage of the asset equal to the partner's share of distributions.

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

Section 508. Limitations on distribution.

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

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

(1) the limited partnership would not be able to pay its debts as they become due in the ordinary course of the

limited partnership's activities; or

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

(c) A limited partnership may base a determination that a distribution is not prohibited under subsection (b) on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

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

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

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

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

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

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

(f) A limited partnership's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of subsection (b) if the terms of the indebtedness provide that payment of principal and interest are made only to the extent

that a distribution could then be made to partners under this Section.

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

Section 509. Liability for improper distributions.

(a) A general partner that consents to a distribution made in violation of Section 508 is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation if it is established that in consenting to the distribution the general partner failed to comply with Section 408.

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

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

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

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

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

Section 601. Dissociation as limited partner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) is the converted or surviving entity but, as a result of the conversion or merger, the person ceases

to be a limited partner.

Section 602. Effect of dissociation as limited partner.

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

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

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

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

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

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

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

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

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

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

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

(B) there has been a transfer of all or substantially all of the person's transferable

interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed;

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

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

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

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

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

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

(6) the person's:

(A) becoming a debtor in bankruptcy;

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

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



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

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

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

(A) the person's death;

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

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

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

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

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

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

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

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

Section 604. Persons to dissociate as general partner; wrongful dissociation.

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

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

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

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

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

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

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

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

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

Section 605. Effect of dissociation as general partner.

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

(1) the person's right to participate as a general

partner in the management and conduct of the partnership's activities terminates;

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

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

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

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

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

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

(a) After a person is dissociated as a general partner and before the limited partnership is dissolved, converted under Article 11, or merged out of existence under Article 11, the limited partnership is bound by an act of the person only if:

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

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

(A) less than two years has passed since the

dissociation; and

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

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

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

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

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

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

(b) A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities is liable to the same extent as a general partner under Section 404 on an obligation incurred by the limited partnership under Section 804.

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

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

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

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

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

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

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

## ARTICLE 7

### TRANSFERABLE INTERESTS AND RIGHTS

#### OF TRANSFEREES AND CREDITORS

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

Section 702. Transfer of partner's transferable interest.

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

(1) is permissible;

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

(3) does not, as against the other partners or the limited partnership, entitle the transferee to participate

in the management or conduct of the limited partnership's activities, to require access to information concerning the limited partnership's transactions except as otherwise provided in subsection (c), or to inspect or copy the required information or the limited partnership's other records.

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

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

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

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

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

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

(f) A transfer of a partner's transferable interest in the limited partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.

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

Section 703. Rights of creditor of partner or transferee.

(a) On application to a court of competent jurisdiction by any judgment creditor of a partner or transferee, the court may

charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of a transferee. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.

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

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

(1) by the judgment debtor;

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

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

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

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

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

ARTICLE 8  
DISSOLUTION

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

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

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

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

(A) if the limited partnership has at least one remaining general partner, the consent to dissolve the limited partnership given within 90 days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the consent is to be effective; or

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

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

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

(4) the passage of 90 days after the dissociation of the limited partnership's last limited partner, unless before the end of the period the limited partnership admits



at least one limited partner; or

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

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

Section 803. Winding up.

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

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

(1) may amend its certificate of limited partnership to state that the limited partnership is dissolved, preserve the limited partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, transfer the limited partnership's property, settle disputes by mediation or arbitration, file a statement of termination as provided in Section 203, and perform other necessary acts; and

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

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

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

(2) shall promptly amend the certificate of limited

partnership to state:

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

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

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

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

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

(2) the applicant establishes other good cause.

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

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

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

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

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

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

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

(B) the other party does not have notice of the dissociation and reasonably believes that the person

is a general partner; and

(2) the act:

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

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

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

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

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

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

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

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

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

Section 806. Known claims against dissolved limited partnership.

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

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

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

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

(3) state the deadline for receipt of the claim, which may not be less than 120 days after the date the notice is received by the claimant;

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

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

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

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

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

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

Section 807. Other claims against dissolved limited

partnership.

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

(b) The notice must:

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

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

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

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

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

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

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

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

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

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

(2) if the assets have been distributed in liquidation, against a partner or transferee to the extent of that person's proportionate share of the claim or the limited partnership's assets distributed to the partner or transferee in liquidation, whichever is less, but a person's total liability for all claims under this paragraph does not exceed the total amount of assets distributed to the person as part of the winding up of the dissolved limited partnership; or

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

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

Section 809. Administrative dissolution.

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

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

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

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

(c) If within 60 days after service of the copy the limited partnership does not correct each ground for dissolution or

demonstrate to the reasonable satisfaction of the Secretary of State that each ground determined by the Secretary of State does not exist, the Secretary of State shall administratively dissolve the limited partnership by preparing, signing and filing a declaration of dissolution that states the grounds for dissolution. The Secretary of State shall serve the limited partnership with a copy of the filed declaration.

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

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

Section 810. Reinstatement following administrative dissolution.

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

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

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

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

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

(c) When reinstatement becomes effective, it relates back

to and takes effect as of the effective date of the administrative dissolution and the limited partnership may resume its activities as if the administrative dissolution had never occurred.

Section 811. Appeal from denial of reinstatement.

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

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

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

Section 812. Disposition of assets; when contributions required.

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

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

(c) If a limited partnership's assets are insufficient to satisfy all of its obligations under subsection (a), with



respect to each unsatisfied obligation incurred when the limited partnership was not a limited liability limited partnership, the following rules apply:

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

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

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

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

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

(f) An assignee for the benefit of creditors of a limited

partnership or a partner, or a person appointed by a court to represent creditors of a limited partnership or a partner, may enforce a person's obligation to contribute under subsection (c).

## ARTICLE 9

### FOREIGN LIMITED PARTNERSHIPS

#### Section 901. Governing law.

(a) The laws of the state or other jurisdiction under which a foreign limited partnership is organized govern relations among the partners of the foreign limited partnership and between the partners and the foreign limited partnership and the liability of partners as partners for an obligation of the foreign limited partnership.

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

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

#### Section 902. Application for certificate of authority.

(a) A foreign limited partnership may apply for a certificate of authority to transact business in this State by delivering an application to the Secretary of State for filing. The application must state:

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

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

(3) the street and mailing address of the foreign limited partnership's principal office and, if the laws of

the jurisdiction under which the foreign limited partnership is organized require the foreign limited partnership to maintain an office in that jurisdiction, the street and mailing address of the required office;

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

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

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

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

Section 903. Activities not constituting transacting business.

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

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

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

(3) maintaining accounts in financial institutions;

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

(5) selling through independent contractors;

(6) soliciting or obtaining orders, whether by mail or electronic means or through employees or agents or otherwise, if the orders require acceptance outside this

State before they become contracts;

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

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

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

(10) transacting business in interstate commerce.

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

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

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

Section 905. Noncomplying name of foreign limited partnership.

(a) A foreign limited partnership whose name does not comply with Section 108 may not obtain a certificate of authority until it adopts, for the purpose of transacting business in this State, an alternate name that complies with

Section 108. A foreign limited partnership that adopts an alternate name under this subsection and then obtains a certificate of authority with the name need not comply with the Assumed Business Name Act and is deemed to be in compliance with Section 108.5. After obtaining a certificate of authority with an alternate name, a foreign limited partnership shall transact business in this State under the name unless the foreign limited partnership is authorized under the Assumed Business Name Act to transact business in this State under another name.

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

Section 906. Revocation of certificate of authority.

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

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

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

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

(4) deliver for filing a statement of a change under Section 115 within 30 days after a change has occurred in the name or address of the agent.

(b) In order to revoke a certificate of authority, the Secretary of State must prepare, sign, and file a notice of revocation and send a copy to the foreign limited partnership's agent for service of process in this State, or if the foreign limited partnership does not appoint and maintain a proper

agent in this State, to the foreign limited partnership's designated office. The notice must state:

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

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

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

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

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

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

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

(d) A partner of a foreign limited partnership is not liable for the obligations of the foreign limited partnership solely by reason of the foreign limited partnership's having

transacted business in this State without a certificate of authority.

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

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

#### ARTICLE 10

##### ACTIONS BY PARTNERS

Section 1001. Direct action by partner.

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

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

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

Section 1002. Derivative action. A partner may maintain a derivative action to enforce a right of a limited partnership

if:

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

(2) a demand would be futile.

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

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

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

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

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

(2) why demand should be excused as futile.

Section 1005. Proceeds and expenses.

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

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

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

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



limited partnership.

ARTICLE 11

CONVERSION AND MERGER

Section 1101. Definitions. In this Article:

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

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

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

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

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

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

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

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

(9) "Organizational documents" means:

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

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

(C) for a domestic or foreign limited liability company, its articles of organization and operating agreement, or comparable records as provided in its

governing statute;

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

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

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

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

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

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

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

Section 1102. Conversion.

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

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

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

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

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

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

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

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

(4) the organizational documents of the converted organization.

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

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

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

(1) as provided in the plan; and

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

Section 1104. Filings required for conversion; effective date.

(a) After a plan of conversion is approved:

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

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

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

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

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

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

(F) if the converted organization is a foreign organization not authorized to transact business in this State, the street and mailing address of an office which the Secretary of State may use for the purposes of Section 1105(c); and

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

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

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

(C) a statement that the conversion was approved in a manner that complied with the organization's governing statute.

(b) A conversion becomes effective:

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

(2) if the converted organization is not a limited

partnership, as provided by the governing statute of the converted organization.

Section 1105. Effect of conversion.

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

(b) When a conversion takes effect:

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

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

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

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

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

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

(c) A converted organization that is a foreign organization consents to the jurisdiction of the courts of this State to enforce any obligation owed by the converting limited partnership, if before the conversion the converting limited partnership was subject to suit in this State on the obligation. A converted organization that is a foreign organization and not authorized to transact business in this State appoints the Secretary of State as its agent for service of process for purposes of enforcing an obligation under this subsection. Service on the Secretary of State under this

subsection is made in the same manner and with the same consequences as in Section 117(c) and (d).

Section 1106. Merger.

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) as provided in the plan; and
- (2) except as prohibited by the plan, with the same consent as was required to approve the plan.

Section 1108. Filings required for merger; effective date.

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

- (1) each preexisting constituent limited partnership, by each general partner listed in the certificate of limited partnership; and
- (2) each other preexisting constituent organization, by an authorized representative.

(b) The articles of merger must include:

- (1) the name and form of each constituent organization and the jurisdiction of its governing statute;
- (2) the name and form of the surviving organization, the jurisdiction of its governing statute, and, if the surviving organization is created by the merger, a statement to that effect;
- (3) the date the merger is effective under the governing statute of the surviving organization;
- (4) if the surviving organization is to be created by the merger:

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

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

- (5) if the surviving organization preexists the merger, any amendments provided for in the plan of merger for the organizational document that created the

organization;

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

(7) if the surviving organization is a foreign organization not authorized to transact business in this State, the street and mailing address of an office which the Secretary of State may use for the purposes of Section 1109(b); and

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

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

(d) A merger becomes effective under this Article:

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

(i) compliance with subsection (c); or

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

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

Section 1109. Effect of merger.

(a) When a merger becomes effective:

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

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

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

(4) all debts, liabilities, and other obligations of each constituent organization that ceases to exist



continue as obligations of the surviving organization;

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

(6) except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) the provisions of this Act pertaining to the collection or discharge of the liability continue to apply to the liability;

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

(3) if a person is required to pay any amount under this subsection:

(A) the person has a right of contribution from each other person that was liable as a general partner under Section 404 when the obligation was incurred and has not been released from the obligation under Section 607; and

(B) the contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.

(b) In addition to any other liability provided by law:

(1) a person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if, at the time the third party enters into the transaction, the third party:

(A) does not have notice of the conversion or merger; and

(B) reasonably believes that:

(i) the converted or surviving business is the converting or constituent limited partnership;

(ii) the converting or constituent limited partnership is not a limited liability limited partnership; and

(iii) the person is a general partner in the

converting or constituent limited partnership; and  
(2) a person that was dissociated as a general partner from a converting or constituent limited partnership before the conversion or merger became effective is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if:

(A) immediately before the conversion or merger became effective the converting or surviving limited partnership was not a limited liability limited partnership; and

(B) at the time the third party enters into the transaction less than two years have passed since the person dissociated as a general partner and the third party:

(i) does not have notice of the dissociation;

(ii) does not have notice of the conversion or merger; and

(iii) reasonably believes that the converted or surviving organization is the converting or constituent limited partnership, the converting or constituent limited partnership is not a limited liability limited partnership, and the person is a general partner in the converting or constituent limited partnership.

Section 1112. Power of general partners and persons dissociated as general partners to bind organization after conversion or merger.

(a) An act of a person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if:

(1) before the conversion or merger became effective,

the act would have bound the converting or constituent limited partnership under Section 402; and

(2) at the time the third party enters into the transaction, the third party:

(A) does not have notice of the conversion or merger; and

(B) reasonably believes that the converted or surviving business is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

(b) An act of a person that before a conversion or merger became effective was dissociated as a general partner from a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if:

(1) before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under Section 402 if the person had been a general partner; and

(2) at the time the third party enters into the transaction, less than two years have passed since the person dissociated as a general partner and the third party:

(A) does not have notice of the dissociation;

(B) does not have notice of the conversion or merger; and

(C) reasonably believes that the converted or surviving organization is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

(c) If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection (a) or (b), the person is liable:

(1) to the converted or surviving organization for any

damage caused to the organization arising from the obligation; and

(2) if another person is liable for the obligation, to that other person for any damage caused to that other person arising from the liability.

Section 1113. Article not exclusive. This Article does not preclude an entity from being converted or merged under other law.

## ARTICLE 12

### MISCELLANEOUS PROVISIONS

Section 1201. Uniformity of application and construction. In applying and construing this Uniform Act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Section 1202. Severability clause. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 1203. Relation to Electronic Signatures in Global and National Commerce Act. This Act modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but this Act does not modify, limit, or supersede Section 101(c) of that Act or authorize electronic delivery of any of the notices described in Section 103(b) of that Act.

Section 1204. Effective date. (See Section 1402 for effective date.)

Section 1205. Repeals. (See Section 1401 for repeals.)

Section 1206. Application to existing relationships.

(a) Before January 1, 2008, this Act governs only:

(1) a limited partnership formed on or after January 1, 2005; and

(2) except as otherwise provided in subsections (c) and (d), a limited partnership formed before January 1, 2005 which elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this Act.

(b) Except as otherwise provided in subsection (c), on and after January 1, 2008 this Act governs all limited partnerships.

(c) With respect to a limited partnership formed before January 1, 2005, the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:

(1) Section 104(c) does not apply and the limited partnership has whatever duration it had under the law applicable immediately before January 1, 2005.

(2) Section 108(d) does not apply.

(3) The limited partnership is not required to amend its certificate of limited partnership to comply with Section 201(a)(4).

(4) Sections 601 and 602 do not apply and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed immediately before January 1, 2005.

(5) Section 603(4) does not apply.

(6) Section 603(5) does not apply and a court has the same power to expel a general partner as the court had immediately before January 1, 2005.

(7) Section 801(3) does not apply and the connection between a person's dissociation as a general partner and

the dissolution of the limited partnership is the same as existed immediately before January 1, 2005.

(d) With respect to a limited partnership that elects pursuant to subsection (a) (2) to be subject to this Act, after the election takes effect the provisions of this Act relating to the liability of the limited partnership's general partners to third parties apply:

(1) before January 1, 2008, to:

(A) a third party that had not done business with the limited partnership in the year before the election took effect; and

(B) a third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has received a notification of the election; and

(2) on and after January 1, 2008, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable under paragraph (1) (B).

Section 1207. Savings clause. This Act does not affect an action commenced, proceeding brought, or right accrued before this Act takes effect.

Section 1207.2. The Criminal Code of 1961 is amended by changing Section 17-12 as follows:

(720 ILCS 5/17-12)

Sec. 17-12. Fraudulent advertisement of corporate name. If a company, association, or person puts forth a sign or advertisement and assumes, for the purpose of soliciting business, a corporate name, not being incorporated, the company, association, or person commits a petty offense and is guilty of an additional petty offense for each day he, she, or it continues to so offend.

Nothing contained in this Section prohibits a corporation,



company, association, or person from using a divisional designation or trade name in conjunction with its corporate name or assumed name under Section 4.05 of the Business Corporation Act of 1983 or, if it is a member of a partnership or joint venture, from doing partnership or joint venture business under the partnership or joint venture name. The name under which the joint venture or partnership does business may differ from the names of the members. Business may not be conducted or transacted under that joint venture or partnership name, however, unless all provisions of the Assumed Business Name Act have been complied with. Nothing in this Section permits a foreign corporation to do business in this State without complying with all Illinois laws regulating the doing of business by foreign corporations. No foreign corporation may conduct or transact business in this State as a member of a partnership or joint venture that violates any Illinois law regulating or pertaining to the doing of business by foreign corporations in Illinois.

The provisions of this Section do not apply to limited partnerships formed under the Revised Uniform Limited Partnership Act or under the Uniform Limited Partnership Act (2001).

(Source: P.A. 89-234, eff. 1-1-96; 89-626, eff. 8-9-96.)

Section 1207.3. The Limited Liability Company Act is amended by changing Section 37-5 as follows:

(805 ILCS 180/37-5)

Sec. 37-5. Definitions. In this Article:

"Corporation" means (i) a corporation under the Business Corporation Act of 1983, a predecessor law, or comparable law of another jurisdiction or (ii) a bank or savings bank.

"General partner" means a partner in a partnership and a general partner in a limited partnership.

"Limited partner" means a limited partner in a limited partnership.

"Limited partnership" means a limited partnership created under the ~~Revised~~ Uniform Limited Partnership Act (2001), a predecessor law, or comparable law of another jurisdiction.

"Partner" includes a general partner and a limited partner.

"Partnership" means a general partnership under the Uniform Partnership Act, a predecessor law, or comparable law of another jurisdiction.

"Partnership agreement" means an agreement among the partners concerning the partnership or limited partnership.

"Shareholder" means a shareholder in a corporation.

(Source: P.A. 93-561, eff. 1-1-04.)

Section 1207.4. The Uniform Partnership Act (1997) is amended by changing Sections 901 and 902 as follows:

(805 ILCS 206/901)

Sec. 901. Definitions. In this Article:

(1) "General partner" means a partner in a partnership and a general partner in a limited partnership.

(2) "Limited partner" means a limited partner in a limited partnership.

(3) "Limited partnership" means a limited partnership created under the ~~Revised~~ Uniform Limited Partnership Act (2001), predecessor law, or comparable law of another jurisdiction.

(4) "Partner" includes both a general partner and a limited partner.

(Source: P.A. 92-740, eff. 1-1-03.)

(805 ILCS 206/902)

Sec. 902. Conversion of partnership to limited partnership.

(a) A partnership may be converted to a limited partnership pursuant to this Section.

(b) The terms and conditions of a conversion of a partnership to a limited partnership must be approved by all of

the partners or by a number or percentage specified for conversion in the partnership agreement.

(c) After the conversion is approved by the partners, the partnership shall file a certificate of limited partnership in the jurisdiction in which the limited partnership is to be formed. The certificate must include:

(1) a statement that the partnership was converted to a limited partnership from a partnership;

(2) its former name; and

(3) a statement of the number of votes cast by the partners for and against the conversion and, if the vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.

(d) The conversion takes effect when the certificate of limited partnership is filed or at any later date specified in the certificate.

(e) A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the limited partner is liable for an obligation incurred by the limited partnership within 90 days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in the ~~Revised~~ Uniform Limited Partnership Act (2001).  
(Source: P.A. 92-740, eff. 1-1-03.)

## ARTICLE 13

### FEES AND OTHER MATTERS

Section 1301. List of partnerships.

(a) The Secretary of State may publish a list or lists of limited partnerships and foreign limited partnerships, with

such frequency, in such format, and for such fees as the Secretary may in his or her discretion provide by rule. The Secretary may disseminate information concerning limited partnerships and foreign limited partnerships by computer network, in such format and for such fees as may be determined by rule.

(b) Any list published under subsection (a) shall be free to each member of the General Assembly and to each State agency or department and to each Recorder in this State, submitting a written request for same. To all others an appropriate fee to cover the cost of producing the list shall be charged, and shall be established by rule.

Section 1302. Fees.

(a) The Secretary of State shall charge and collect in accordance with the provisions of this Act and rules promulgated pursuant to its authority:

- (1) fees for filing documents;
- (2) miscellaneous charges;
- (3) fees for the sale of lists of filings, copies of any documents, and for the sale or release of any information.

(b) The Secretary of State shall charge and collect for:

- (1) filing certificates of limited partnership (domestic), certificates of admission (foreign), restated certificates of limited partnership (domestic), and restated certificates of admission (foreign), \$150;
- (2) filing certificates to be governed by this Act, \$50;
- (3) filing amendments and certificates of amendment, \$50;
- (4) filing certificates of cancellation, \$25;
- (5) filing an application for use of an assumed name under Section 108.5 of this Act, \$150 for each year or part thereof ending in 0 or 5, \$120 for each year or part thereof ending in 1 or 6, \$90 for each year or part thereof

ending in 2 or 7, \$60 for each year or part thereof ending in 3 or 8, \$30 for each year or part thereof ending in 4 or 9, and a renewal for each assumed name, \$150;

(6) filing an annual report of a domestic or foreign limited partnership, \$100;

(7) filing an application for reinstatement of a domestic or foreign limited partnership, and for issuing a certificate of reinstatement, \$200;

(8) filing any other document, \$50.

(c) The Secretary of State shall charge and collect:

(1) for furnishing a copy or certified copy of any document, instrument or paper relating to a limited partnership or foreign limited partnership, \$25; and

(2) for the transfer of information by computer process media to any purchaser, fees established by rule.

Section 1303. Powers of the Secretary of State and rulemaking.

(a) The Secretary of State shall have the power and authority reasonably necessary to administer this Act efficiently and to perform the duties herein imposed. The Secretary of State's function pursuant to this Act is to be a central depository for the certificates of limited partnership and certificates of admission required by this Act and to record the assumed names used by limited partnerships and foreign limited partnerships.

(b) The Secretary of State shall have authority to promulgate rules pursuant to the Illinois Administrative Procedure Act, as are necessary to administer this Act efficiently and to perform the duties herein imposed.

Section 1304. Certified copies and certificates.

(a) Copies, photostatic or otherwise, of any and all documents filed in the Office of the Secretary of State in accordance with the provisions of this Act, when certified by the Secretary of State under the Great Seal of the State of

Illinois, shall be taken and received in all courts, public offices and official bodies as prima facie evidence of the facts therein stated.

(b) Certificates by the Secretary of State under the Great Seal of the State of Illinois as to the existence or nonexistence of facts relating to limited partnerships, or foreign limited partnerships, which would not appear from a certified copy of any document, shall be taken and received in all courts, public offices and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

Section 1305. Federal Employers Identification Number. All documents required by this Act to be filed in the Office of the Secretary of State shall contain the Federal Employers Identification Number of the limited partnership or foreign limited partnership with respect to which the document is filed, unless the partnership has not obtained a Federal Employer Identification Number at the time of filing. In the event a limited partnership or foreign limited partnership does not have a Federal Employer Identification Number at the time of such filing, such a number shall be obtained on behalf of such partnership and shall be given to the Secretary of State within 180 days after filing its initial document with the Secretary of State.

Section 1306. Forms. All documents required by this Act to be filed in the Office of the Secretary of State shall be made on or accompanied by forms which shall be prescribed and furnished by the Secretary of State.

Section 1307. File number. All documents required by this Act to be filed in the Office of the Secretary of State, with the exception of each domestic or foreign limited partnership's initial filing, shall contain the limited partnership's file number as assigned by the Office of the Secretary of State.

Section 1308. Department of Business Services Special Operations Fund.

(a) A special fund in the State Treasury is created and shall be known as the Department of Business Services Special Operations Fund. Moneys deposited into the Fund shall, subject to appropriation, be used by the Department of Business Services of the Office of the Secretary of State, hereinafter "Department", to create and maintain the capability to perform expedited services in response to special requests made by the public for same day or 24 hour service. Moneys deposited into the Fund shall be used for, but not limited to, expenditures for personal services, retirement, social security contractual services, equipment, electronic data processing, and telecommunications.

(b) The balance in the Fund at the end of any fiscal year shall not exceed \$600,000 and any amount in excess thereof shall be transferred to the General Revenue Fund.

(c) All fees payable to the Secretary of State under this Section shall be deposited into the Fund. No other fees or charges collected under this Act shall be deposited into the Fund.

(d) "Expedited services" means services rendered within the same day, or within 24 hours from the time the request therefor is submitted by the filer, law firm, service company, or messenger physically in person, or at the Secretary of State's discretion, by electronic means, to the Department's Springfield Office or Chicago Office and includes requests for certified copies, photocopies, and certificates of existence or abstracts of computer record made to the Department's Springfield Office in person or by telephone, or requests for certificates of existence or abstracts of computer record made in person or by telephone to the Department's Chicago Office.

(e) Fees for expedited services shall be as follows:

Merger or conversion, \$200;

Certificate of limited partnership, \$100;

Certificate of amendment, \$100;  
Reinstatement, \$100;  
Application for admission to transact business, \$100;  
Certificate of cancellation of admission, \$100;  
Certificate of existence or abstract of computer record, \$20.

All other filings, copies of documents, annual renewal reports, and copies of documents of canceled limited partnerships, \$50.

Section 1309. Judicial review under the Administrative Review Law.

(a) If the Secretary of State shall fail to approve documents as conforming to the law and file any document required by this Act to be approved by the Secretary of State before the same shall be filed in his or her business office, the Secretary shall, within 10 business days after the delivery thereof to him or her, give written notice of his or her disapproval to the person or partnership delivering the same, specifying the reasons therefor. The decision of the Secretary of State is subject to judicial review under the Administrative Review Law, as now or hereafter amended.

(b) Appeals may be taken from all final orders and judgments entered by the circuit court under this Section in review of any ruling or decision of the Secretary of State as in other civil actions by either party to the proceeding.

Section 1310. Illinois Administrative Procedure Act. The Illinois Administrative Procedure Act is hereby expressly adopted and incorporated herein as if all of the provisions of that Act were included in this Act, except that the provision of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that provides that at hearing the licensee has the right to show compliance with all lawful requirements for retention, continuation or renewal of the license is specifically excluded. For the purposes of this Act



the notice required under Section 10-25 of the Illinois Administrative Procedure Act is deemed sufficient when mailed to the last known address of a party.

ARTICLE 14

REPEAL AND EFFECTIVE DATE

(805 ILCS 210/Act rep.)

Section 1401. Repeal. Effective January 1, 2008, the following Act is repealed: the Revised Uniform Limited Partnership Act as amended and in effect immediately before the effective date of this Act.

Section 1402. Effective date. This Act takes effect January 1, 2005.