

1 AN ACT concerning limited partnerships.

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

4 ARTICLE 1
5 GENERAL PROVISIONS

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

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

10 Section 102. Definitions. In this Act:

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

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

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

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

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

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

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

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

5 (6) "Designated office" means:

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

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

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

15 (8) "Foreign limited liability limited partnership"
16 means a foreign limited partnership whose general partners
17 have limited liability for the obligations of the foreign
18 limited partnership under a provision similar to Section
19 404(c).

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

25 (10) "General partner" means:

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

28 (i) becomes a general partner under Section
29 401; or

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

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

1 partnership.

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

7 (12) "Limited partner" means:

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

10 (i) becomes a limited partner under Section
11 301; or

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

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

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

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

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

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

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

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

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

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

14 (20) "Required information" means the information that
15 a limited partnership is required to maintain under Section
16 111.

17 (21) "Sign" means:

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

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

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

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

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

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

35 Section 103. Knowledge and notice.

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

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

4 (1) knows of it;

5 (2) has received a notification of it;

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

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

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

15 (d) A person has notice of:

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

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

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

28 (4) a limited partnership's conversion under Article
29 11, 90 days after the effective date of the articles of
30 conversion; or

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

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

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

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

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

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

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

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

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

1 is a limited liability limited partnership.

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

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

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

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

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

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

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

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

3 Section 108. Name.

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

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

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

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

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

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

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

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

1 for;

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

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

9 (A) has merged into the applicant;

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

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

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

18 (g) Nothing in this Section shall:

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

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

29 Section 108.5. Assumed name.

30 (a) A limited partnership or a foreign limited partnership
31 admitted to transact business in this State may elect to adopt
32 an assumed name that complies with the requirements of Section
33 108 of this Act except the requirement that the name contain
34 the words "limited partnership", "limited liability limited
35 partnership", or the abbreviation "L.P.", "LP", "LLLLP" or

1 "L.L.L.P."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 assumed name;

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

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

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

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

17 Section 109. Reservation of name.

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

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

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

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

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

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

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

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

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

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

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

25 Section 110. Effect of partnership agreement; nonwaivable
26 provisions.

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

33 (b) A partnership agreement may not:

34 (1) vary a limited partnership's power under Section
35 105 to sue, be sued, and defend in its own name;

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

3 (3) vary the requirements of Section 204;

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

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

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

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

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

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

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

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

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

34 (11) restrict the right of a partner under Section
35 1110(a) to approve a conversion or merger or the right of a
36 general partner under Section 1110(b) to consent to an

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

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

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

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

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

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

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

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

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

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

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

35 (9) unless contained in a partnership agreement made in

1 a record, a record stating:

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

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

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

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

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

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

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

33 (a) A limited partnership shall designate and continuously

1 maintain in this State:

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

4 (2) an agent for service of process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (c) An agency for service of process is terminated on the
12 31st day after the Secretary of State files the statement of
13 resignation.

14 Section 117. Service of process.

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

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

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

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

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

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

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

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

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

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

22 Section 119. Locale misrepresentation.

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

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

1 \$100,000,000.

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

7 ARTICLE 2

8 FORMATION; CERTIFICATE OF

9 LIMITED PARTNERSHIP AND OTHER FILINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

11 Section 202. Amendment or restatement of certification.

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

16 (1) the name of the limited partnership;

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

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

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

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

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

25 or

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

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

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

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

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

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

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

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

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

19 Section 204. Signing of records.

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

23 (1) An initial certificate of limited partnership must
24 be signed by all general partners listed in the
25 certificate.

26 (2) An amendment adding or deleting a statement that
27 the limited partnership is a limited liability limited
28 partnership must be signed by all general partners listed
29 in the certificate.

30 (3) An amendment designating as general partner a
31 person admitted under Section 801(3)(B) following the
32 dissociation of a limited partnership's last general
33 partner must be signed by that person.

34 (4) An amendment required by Section 803(c) following

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

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

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

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

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

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

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

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

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

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

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

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

1 certificate.

2 (11) A statement by a person pursuant to Section
3 605(a)(4) stating that the person has dissociated as a
4 general partner must be signed by that person.

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

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

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

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

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

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

21 (1) the person to sign the record;

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

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

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

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

34 Section 206. Delivery to and filing of records by Secretary

1 of State; effective time and date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (A) the specified date; or

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

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

13 (A) the specified date; or

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

15 Section 207. Correcting filed record.

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

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

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

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

30 (3) correct the incorrect information or defective
31 signature.

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

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

4 Section 208. Liability for false information in filed
5 record.

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

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

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

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

27 Section 209. Certificate of existence or authorization.

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

- 1 (1) the limited partnership's name;
- 2 (2) that it was duly formed under the laws of this
3 State and the date of formation;
- 4 (3) whether all fees, taxes, and penalties due to the
5 Secretary of State under this Act or other law have been
6 paid;
- 7 (4) whether the limited partnership's most recent
8 annual report required by Section 210 has been filed by the
9 Secretary of State;
- 10 (5) whether the Secretary of State has
11 administratively dissolved the limited partnership;
- 12 (6) whether the limited partnership's certificate of
13 limited partnership has been amended to state that the
14 limited partnership is dissolved;
- 15 (7) that a statement of termination has not been filed
16 by the Secretary of State; and
- 17 (8) other facts of record in the Office of the
18 Secretary of State which may be requested by the applicant.

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

- 26 (1) the foreign limited partnership's name and any
27 alternate name adopted under Section 905(a) for use in this
28 State;
- 29 (2) that it is authorized to transact business in this
30 State;
- 31 (3) whether all fees, taxes, and penalties due to the
32 Secretary of State under this Act or other law have been
33 paid;
- 34 (4) whether the foreign limited partnership's most
35 recent annual report required by Section 210 has been filed
36 by the Secretary of State;

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

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

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

12 Section 210. Annual report for Secretary of State.

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

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

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

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

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

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

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

1 shall be signed by a general partner.

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

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

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

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

29 ARTICLE 3

30 LIMITED PARTNERS

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

33 (1) as provided in the partnership agreement;

34 (2) as the result of a conversion or merger under

1 Article 11; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 to the costs of labor and material.

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

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

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

18 Section 305. Limited duties of limited partners.

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

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

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

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

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

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

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

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

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

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

31 ARTICLE 4

32 GENERAL PARTNERS

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

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

7 Section 402. General partner agent of limited partnership.

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

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

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

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

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

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

4 Section 404. General partner's liability.

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

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

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

24 Section 405. Actions by and against partnership and
25 partners.

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

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

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

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

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

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

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

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

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

22 Section 406. Management rights of general partner.

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

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

30 (1) amend the partnership agreement;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 ARTICLE 5

6 CONTRIBUTIONS AND DISTRIBUTIONS

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

12 Section 502. Liability for contribution.

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

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

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

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

1 contributions the limited partnership has received from each
2 partner.

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

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

10 Section 506. Distribution in kind. A partner does not have
11 a right to demand or receive any distribution from a limited
12 partnership in any form other than cash. Subject to Section
13 812(b), a limited partnership may distribute an asset in kind
14 to the extent each partner receives a percentage of the asset
15 equal to the partner's share of distributions.

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

25 Section 508. Limitations on distribution.

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

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

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

1 limited partnership's activities; or

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

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

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

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

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

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

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

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

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

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

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

7 Section 509. Liability for improper distributions.

8 (a) A general partner that consents to a distribution made
9 in violation of Section 508 is personally liable to the limited
10 partnership for the amount of the distribution which exceeds
11 the amount that could have been distributed without the
12 violation if it is established that in consenting to the
13 distribution the general partner failed to comply with Section
14 408.

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

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

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

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

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

32

ARTICLE 6

33

DISSOCIATION

1 Section 601. Dissociation as limited partner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 to be a limited partner.

2 Section 602. Effect of dissociation as limited partner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (6) the person's:

33 (A) becoming a debtor in bankruptcy;

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

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

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

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

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

12 (A) the person's death;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 Section 605. Effect of dissociation as general partner.

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

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

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

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

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

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

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

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

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

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

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

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

35 (A) less than two years has passed since the

1 dissociation; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (1) by the judgment debtor;

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

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

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

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

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

1 ARTICLE 8

2 DISSOLUTION

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

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

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

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

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

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

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

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

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

1 at least one limited partner; or

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

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

9 Section 803. Winding up.

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

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

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

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

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

32 (1) has the powers of a general partner under Section
33 804; and

34 (2) shall promptly amend the certificate of limited

1 partnership to state:

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

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

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

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

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

15 (2) the applicant establishes other good cause.

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

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

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

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

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

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

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

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

1 is a general partner; and

2 (2) the act:

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

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

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

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

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

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

25 (b) If a person dissociated as a general partner causes a
26 limited partnership to incur an obligation under Section
27 804(b), the person is liable:

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

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

1 Section 806. Known claims against dissolved limited
2 partnership.

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

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

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

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

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

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

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

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

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

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

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

35 Section 807. Other claims against dissolved limited

1 partnership.

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

6 (b) The notice must:

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Section 809. Administrative dissolution.

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

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

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

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

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

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

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

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

16 Section 810. Reinstatement following administrative
17 dissolution.

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

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

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

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

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

35 (c) When reinstatement becomes effective, it relates back

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

5 Section 811. Appeal from denial of reinstatement.

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

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

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

23 Section 812. Disposition of assets; when contributions
24 required.

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

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

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

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

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

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

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

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

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

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

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

5 ARTICLE 9

6 FOREIGN LIMITED PARTNERSHIPS

7 Section 901. Governing law.

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

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

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

22 Section 902. Application for certificate of authority.

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

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

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

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

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

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

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

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

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

18 Section 903. Activities not constituting transacting
19 business.

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

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

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

27 (3) maintaining accounts in financial institutions;

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

32 (5) selling through independent contractors;

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

1 State before they become contracts;

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

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

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

11 (10) transacting business in interstate commerce.

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

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

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

29 Section 905. Noncomplying name of foreign limited
30 partnership.

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

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

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

16 Section 906. Revocation of certificate of authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 transacted business in this State without a certificate of
2 authority.

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

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

12 ARTICLE 10

13 ACTIONS BY PARTNERS

14 Section 1001. Direct action by partner.

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

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

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

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

1 if:

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

7 (2) a demand would be futile.

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

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

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

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

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

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

22 Section 1005. Proceeds and expenses.

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

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

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

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

1 limited partnership.

2 ARTICLE 11

3 CONVERSION AND MERGER

4 Section 1101. Definitions. In this Article:

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

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

9 (3) "Converted organization" means the organization into
10 which a converting organization converts pursuant to Sections
11 1102 through 1105.

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

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

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

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

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

26 (9) "Organizational documents" means:

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

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

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

1 governing statute;

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

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

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

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

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

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

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

31 Section 1102. Conversion.

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

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

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

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

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

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

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

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

18 (4) the organizational documents of the converted
19 organization.

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

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

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

29 (1) as provided in the plan; and

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

32 Section 1104. Filings required for conversion; effective
33 date.

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

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

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

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

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

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

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

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

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

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

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

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

32 (b) A conversion becomes effective:

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

36 (2) if the converted organization is not a limited

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

3 Section 1105. Effect of conversion.

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

7 (b) When a conversion takes effect:

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

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

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

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

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

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

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

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

3 Section 1106. Merger.

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (1) as provided in the plan; and

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

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

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

11 (1) each preexisting constituent limited partnership,
12 by each general partner listed in the certificate of
13 limited partnership; and

14 (2) each other preexisting constituent organization,
15 by an authorized representative.

16 (b) The articles of merger must include:

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

19 (2) the name and form of the surviving organization,
20 the jurisdiction of its governing statute, and, if the
21 surviving organization is created by the merger, a
22 statement to that effect;

23 (3) the date the merger is effective under the
24 governing statute of the surviving organization;

25 (4) if the surviving organization is to be created by
26 the merger:

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

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

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

1 organization;

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

5 (7) if the surviving organization is a foreign
6 organization not authorized to transact business in this
7 State, the street and mailing address of an office which
8 the Secretary of State may use for the purposes of Section
9 1109(b); and

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

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

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

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

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

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

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

24 Section 1109. Effect of merger.

25 (a) When a merger becomes effective:

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

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

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

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

1 continue as obligations of the surviving organization;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (A) the person has a right of contribution from
10 each other person that was liable as a general partner
11 under Section 404 when the obligation was incurred and
12 has not been released from the obligation under Section
13 607; and

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

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

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

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

30 (B) reasonably believes that:

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

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

36 (iii) the person is a general partner in the

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

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

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

17 (i) does not have notice of the dissociation;

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

20 (iii) reasonably believes that the converted
21 or surviving organization is the converting or
22 constituent limited partnership, the converting or
23 constituent limited partnership is not a limited
24 liability limited partnership, and the person is a
25 general partner in the converting or constituent
26 limited partnership.

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

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

35 (1) before the conversion or merger became effective,

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

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

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

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

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

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

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

25 (A) does not have notice of the dissociation;

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

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

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

36 (1) to the converted or surviving organization for any

1 damage caused to the organization arising from the
2 obligation; and

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

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

9 ARTICLE 12

10 MISCELLANEOUS PROVISIONS

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

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

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

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

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

2 Section 1206. Application to existing relationships.

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

4 (1) a limited partnership formed on or after January 1,
5 2005; and

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

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

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

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

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

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

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

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

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

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

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

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

8 (1) before January 1, 2008, to:

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

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

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

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

23 Section 1207.1. The State Finance Act is amended by adding
24 Section 5.625 as follows:

25 (30 ILCS 105/5.625 new)

26 Sec. 5.625. The Department of Business Services Special
27 Operations Fund.

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

30 (720 ILCS 5/17-12)

31 Sec. 17-12. Fraudulent advertisement of corporate name. If

1 a company, association, or person puts forth a sign or
2 advertisement and assumes, for the purpose of soliciting
3 business, a corporate name, not being incorporated, the
4 company, association, or person commits a petty offense and is
5 guilty of an additional petty offense for each day he, she, or
6 it continues to so offend.

7 Nothing contained in this Section prohibits a corporation,
8 company, association, or person from using a divisional
9 designation or trade name in conjunction with its corporate
10 name or assumed name under Section 4.05 of the Business
11 Corporation Act of 1983 or, if it is a member of a partnership
12 or joint venture, from doing partnership or joint venture
13 business under the partnership or joint venture name. The name
14 under which the joint venture or partnership does business may
15 differ from the names of the members. Business may not be
16 conducted or transacted under that joint venture or partnership
17 name, however, unless all provisions of the Assumed Business
18 Name Act have been complied with. Nothing in this Section
19 permits a foreign corporation to do business in this State
20 without complying with all Illinois laws regulating the doing
21 of business by foreign corporations. No foreign corporation may
22 conduct or transact business in this State as a member of a
23 partnership or joint venture that violates any Illinois law
24 regulating or pertaining to the doing of business by foreign
25 corporations in Illinois.

26 The provisions of this Section do not apply to limited
27 partnerships formed under the Revised Uniform Limited
28 Partnership Act or under the Uniform Limited Partnership Act
29 (2001).

30 (Source: P.A. 89-234, eff. 1-1-96; 89-626, eff. 8-9-96.)

31 Section 1207.3. The Limited Liability Company Act is
32 amended by changing Section 37-5 as follows:

33 (805 ILCS 180/37-5)

34 Sec. 37-5. Definitions. In this Article:

1 "Corporation" means (i) a corporation under the Business
2 Corporation Act of 1983, a predecessor law, or comparable law
3 of another jurisdiction or (ii) a bank or savings bank.

4 "General partner" means a partner in a partnership and a
5 general partner in a limited partnership.

6 "Limited partner" means a limited partner in a limited
7 partnership.

8 "Limited partnership" means a limited partnership created
9 under the ~~Revised~~ Uniform Limited Partnership Act (2001), a
10 predecessor law, or comparable law of another jurisdiction.

11 "Partner" includes a general partner and a limited partner.

12 "Partnership" means a general partnership under the
13 Uniform Partnership Act, a predecessor law, or comparable law
14 of another jurisdiction.

15 "Partnership agreement" means an agreement among the
16 partners concerning the partnership or limited partnership.

17 "Shareholder" means a shareholder in a corporation.

18 (Source: P.A. 93-561, eff. 1-1-04.)

19 Section 1207.4. The Uniform Partnership Act (1997) is
20 amended by changing Sections 901 and 902 as follows:

21 (805 ILCS 206/901)

22 Sec. 901. Definitions. In this Article:

23 (1) "General partner" means a partner in a partnership
24 and a general partner in a limited partnership.

25 (2) "Limited partner" means a limited partner in a
26 limited partnership.

27 (3) "Limited partnership" means a limited partnership
28 created under the ~~Revised~~ Uniform Limited Partnership Act
29 (2001), predecessor law, or comparable law of another
30 jurisdiction.

31 (4) "Partner" includes both a general partner and a
32 limited partner.

33 (Source: P.A. 92-740, eff. 1-1-03.)

1 (805 ILCS 206/902)

2 Sec. 902. Conversion of partnership to limited
3 partnership.

4 (a) A partnership may be converted to a limited partnership
5 pursuant to this Section.

6 (b) The terms and conditions of a conversion of a
7 partnership to a limited partnership must be approved by all of
8 the partners or by a number or percentage specified for
9 conversion in the partnership agreement.

10 (c) After the conversion is approved by the partners, the
11 partnership shall file a certificate of limited partnership in
12 the jurisdiction in which the limited partnership is to be
13 formed. The certificate must include:

14 (1) a statement that the partnership was converted to a
15 limited partnership from a partnership;

16 (2) its former name; and

17 (3) a statement of the number of votes cast by the
18 partners for and against the conversion and, if the vote is
19 less than unanimous, the number or percentage required to
20 approve the conversion under the partnership agreement.

21 (d) The conversion takes effect when the certificate of
22 limited partnership is filed or at any later date specified in
23 the certificate.

24 (e) A general partner who becomes a limited partner as a
25 result of the conversion remains liable as a general partner
26 for an obligation incurred by the partnership before the
27 conversion takes effect. If the other party to a transaction
28 with the limited partnership reasonably believes when entering
29 the transaction that the limited partner is a general partner,
30 the limited partner is liable for an obligation incurred by the
31 limited partnership within 90 days after the conversion takes
32 effect. The limited partner's liability for all other
33 obligations of the limited partnership incurred after the
34 conversion takes effect is that of a limited partner as
35 provided in the ~~Revised~~ Uniform Limited Partnership Act (2001).

36 (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;

1 (3) filing amendments and certificates of amendment,
2 \$50;

3 (4) filing certificates of cancellation, \$25;

4 (5) filing an application for use of an assumed name
5 under Section 108.5 of this Act, \$150 for each year or part
6 thereof ending in 0 or 5, \$120 for each year or part
7 thereof ending in 1 or 6, \$90 for each year or part thereof
8 ending in 2 or 7, \$60 for each year or part thereof ending
9 in 3 or 8, \$30 for each year or part thereof ending in 4 or
10 9, and a renewal for each assumed name, \$150;

11 (6) filing an annual report of a domestic or foreign
12 limited partnership, \$100;

13 (7) filing an application for reinstatement of a
14 domestic or foreign limited partnership, and for issuing a
15 certificate of reinstatement, \$200;

16 (8) filing any other document, \$50.

17 (c) The Secretary of State shall charge and collect:

18 (1) for furnishing a copy or certified copy of any
19 document, instrument or paper relating to a limited
20 partnership or foreign limited partnership, \$25; and

21 (2) for the transfer of information by computer process
22 media to any purchaser, fees established by rule.

23 Section 1303. Powers of the Secretary of State and
24 rulemaking.

25 (a) The Secretary of State shall have the power and
26 authority reasonably necessary to administer this Act
27 efficiently and to perform the duties herein imposed. The
28 Secretary of State's function pursuant to this Act is to be a
29 central depository for the certificates of limited partnership
30 and certificates of admission required by this Act and to
31 record the assumed names used by limited partnerships and
32 foreign limited partnerships.

33 (b) The Secretary of State shall have authority to
34 promulgate rules pursuant to the Illinois Administrative
35 Procedure Act, as are necessary to administer this Act

1 efficiently and to perform the duties herein imposed.

2 Section 1304. Certified copies and certificates.

3 (a) Copies, photostatic or otherwise, of any and all
4 documents filed in the Office of the Secretary of State in
5 accordance with the provisions of this Act, when certified by
6 the Secretary of State under the Great Seal of the State of
7 Illinois, shall be taken and received in all courts, public
8 offices and official bodies as prima facie evidence of the
9 facts therein stated.

10 (b) Certificates by the Secretary of State under the Great
11 Seal of the State of Illinois as to the existence or
12 nonexistence of facts relating to limited partnerships, or
13 foreign limited partnerships, which would not appear from a
14 certified copy of any document, shall be taken and received in
15 all courts, public offices and official bodies as prima facie
16 evidence of the existence or nonexistence of the facts therein
17 stated.

18 Section 1305. Federal Employers Identification Number. All
19 documents required by this Act to be filed in the Office of the
20 Secretary of State shall contain the Federal Employers
21 Identification Number of the limited partnership or foreign
22 limited partnership with respect to which the document is
23 filed, unless the partnership has not obtained a Federal
24 Employer Identification Number at the time of filing. In the
25 event a limited partnership or foreign limited partnership does
26 not have a Federal Employer Identification Number at the time
27 of such filing, such a number shall be obtained on behalf of
28 such partnership and shall be given to the Secretary of State
29 within 180 days after filing its initial document with the
30 Secretary of State.

31 Section 1306. Forms. All documents required by this Act to
32 be filed in the Office of the Secretary of State shall be made
33 on or accompanied by forms which shall be prescribed and

1 furnished by the Secretary of State.

2 Section 1307. File number. All documents required by this
3 Act to be filed in the Office of the Secretary of State, with
4 the exception of each domestic or foreign limited partnership's
5 initial filing, shall contain the limited partnership's file
6 number as assigned by the Office of the Secretary of State.

7 Section 1308. Department of Business Services Special
8 Operations Fund.

9 (a) A special fund in the State Treasury is created and
10 shall be known as the Department of Business Services Special
11 Operations Fund. Moneys deposited into the Fund shall, subject
12 to appropriation, be used by the Department of Business
13 Services of the Office of the Secretary of State, hereinafter
14 "Department", to create and maintain the capability to perform
15 expedited services in response to special requests made by the
16 public for same day or 24 hour service. Moneys deposited into
17 the Fund shall be used for, but not limited to, expenditures
18 for personal services, retirement, social security contractual
19 services, equipment, electronic data processing, and
20 telecommunications.

21 (b) The balance in the Fund at the end of any fiscal year
22 shall not exceed \$600,000 and any amount in excess thereof
23 shall be transferred to the General Revenue Fund.

24 (c) All fees payable to the Secretary of State under this
25 Section shall be deposited into the Fund. No other fees or
26 charges collected under this Act shall be deposited into the
27 Fund.

28 (d) "Expedited services" means services rendered within
29 the same day, or within 24 hours from the time the request
30 therefor is submitted by the filer, law firm, service company,
31 or messenger physically in person, or at the Secretary of
32 State's discretion, by electronic means, to the Department's
33 Springfield Office or Chicago Office and includes requests for
34 certified copies, photocopies, and certificates of existence

1 or abstracts of computer record made to the Department's
2 Springfield Office in person or by telephone, or requests for
3 certificates of existence or abstracts of computer record made
4 in person or by telephone to the Department's Chicago Office.

5 (e) Fees for expedited services shall be as follows:

6 Merger or conversion, \$200;

7 Certificate of limited partnership, \$100;

8 Certificate of amendment, \$100;

9 Reinstatement, \$100;

10 Application for admission to transact business, \$100;

11 Certificate of cancellation of admission, \$100;

12 Certificate of existence or abstract of computer
13 record, \$20.

14 All other filings, copies of documents, annual renewal
15 reports, and copies of documents of canceled limited
16 partnerships, \$50.

17 Section 1309. Judicial review under the Administrative
18 Review Law.

19 (a) If the Secretary of State shall fail to approve
20 documents as conforming to the law and file any document
21 required by this Act to be approved by the Secretary of State
22 before the same shall be filed in his or her business office,
23 the Secretary shall, within 10 business days after the delivery
24 thereof to him or her, give written notice of his or her
25 disapproval to the person or partnership delivering the same,
26 specifying the reasons therefor. The decision of the Secretary
27 of State is subject to judicial review under the Administrative
28 Review Law, as now or hereafter amended.

29 (b) Appeals may be taken from all final orders and
30 judgments entered by the circuit court under this Section in
31 review of any ruling or decision of the Secretary of State as
32 in other civil actions by either party to the proceeding.

33 Section 1310. Illinois Administrative Procedure Act. The
34 Illinois Administrative Procedure Act is hereby expressly

1 adopted and incorporated herein as if all of the provisions of
2 that Act were included in this Act, except that the provision
3 of subsection (d) of Section 10-65 of the Illinois
4 Administrative Procedure Act that provides that at hearing the
5 licensee has the right to show compliance with all lawful
6 requirements for retention, continuation or renewal of the
7 license is specifically excluded. For the purposes of this Act
8 the notice required under Section 10-25 of the Illinois
9 Administrative Procedure Act is deemed sufficient when mailed
10 to the last known address of a party.

11 ARTICLE 14
12 REPEAL AND EFFECTIVE DATE

13 (805 ILCS 210/Act rep.)

14 Section 1401. Repeal. Effective January 1, 2008, the
15 following Act is repealed: the Revised Uniform Limited
16 Partnership Act as amended and in effect immediately before the
17 effective date of this Act.

18 Section 1402. Effective date. This Act takes effect January
19 1, 2005.