

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

25 (720 ILCS 5/17-12)

26 Sec. 17-12. Fraudulent advertisement of corporate name. If  
27 a company, association, or person puts forth a sign or  
28 advertisement and assumes, for the purpose of soliciting  
29 business, a corporate name, not being incorporated, the  
30 company, association, or person commits a petty offense and is  
31 guilty of an additional petty offense for each day he, she, or  
32 it continues to so offend.

33 Nothing contained in this Section prohibits a corporation,



1 company, association, or person from using a divisional  
2 designation or trade name in conjunction with its corporate  
3 name or assumed name under Section 4.05 of the Business  
4 Corporation Act of 1983 or, if it is a member of a partnership  
5 or joint venture, from doing partnership or joint venture  
6 business under the partnership or joint venture name. The name  
7 under which the joint venture or partnership does business may  
8 differ from the names of the members. Business may not be  
9 conducted or transacted under that joint venture or partnership  
10 name, however, unless all provisions of the Assumed Business  
11 Name Act have been complied with. Nothing in this Section  
12 permits a foreign corporation to do business in this State  
13 without complying with all Illinois laws regulating the doing  
14 of business by foreign corporations. No foreign corporation may  
15 conduct or transact business in this State as a member of a  
16 partnership or joint venture that violates any Illinois law  
17 regulating or pertaining to the doing of business by foreign  
18 corporations in Illinois.

19 The provisions of this Section do not apply to limited  
20 partnerships formed under the Revised Uniform Limited  
21 Partnership Act or under the Uniform Limited Partnership Act  
22 (2001).

23 (Source: P.A. 89-234, eff. 1-1-96; 89-626, eff. 8-9-96.)

24 Section 1207.3. The Limited Liability Company Act is  
25 amended by changing Section 37-5 as follows:

26 (805 ILCS 180/37-5)

27 Sec. 37-5. Definitions. In this Article:

28 "Corporation" means (i) a corporation under the Business  
29 Corporation Act of 1983, a predecessor law, or comparable law  
30 of another jurisdiction or (ii) a bank or savings bank.

31 "General partner" means a partner in a partnership and a  
32 general partner in a limited partnership.

33 "Limited partner" means a limited partner in a limited  
34 partnership.

1 "Limited partnership" means a limited partnership created  
2 under the ~~Revised~~ Uniform Limited Partnership Act (2001), a  
3 predecessor law, or comparable law of another jurisdiction.

4 "Partner" includes a general partner and a limited partner.

5 "Partnership" means a general partnership under the  
6 Uniform Partnership Act, a predecessor law, or comparable law  
7 of another jurisdiction.

8 "Partnership agreement" means an agreement among the  
9 partners concerning the partnership or limited partnership.

10 "Shareholder" means a shareholder in a corporation.

11 (Source: P.A. 93-561, eff. 1-1-04.)

12 Section 1207.4. The Uniform Partnership Act (1997) is  
13 amended by changing Sections 901 and 902 as follows:

14 (805 ILCS 206/901)

15 Sec. 901. Definitions. In this Article:

16 (1) "General partner" means a partner in a partnership  
17 and a general partner in a limited partnership.

18 (2) "Limited partner" means a limited partner in a  
19 limited partnership.

20 (3) "Limited partnership" means a limited partnership  
21 created under the ~~Revised~~ Uniform Limited Partnership Act  
22 (2001), predecessor law, or comparable law of another  
23 jurisdiction.

24 (4) "Partner" includes both a general partner and a  
25 limited partner.

26 (Source: P.A. 92-740, eff. 1-1-03.)

27 (805 ILCS 206/902)

28 Sec. 902. Conversion of partnership to limited  
29 partnership.

30 (a) A partnership may be converted to a limited partnership  
31 pursuant to this Section.

32 (b) The terms and conditions of a conversion of a  
33 partnership to a limited partnership must be approved by all of

1 the partners or by a number or percentage specified for  
2 conversion in the partnership agreement.

3 (c) After the conversion is approved by the partners, the  
4 partnership shall file a certificate of limited partnership in  
5 the jurisdiction in which the limited partnership is to be  
6 formed. The certificate must include:

7 (1) a statement that the partnership was converted to a  
8 limited partnership from a partnership;

9 (2) its former name; and

10 (3) a statement of the number of votes cast by the  
11 partners for and against the conversion and, if the vote is  
12 less than unanimous, the number or percentage required to  
13 approve the conversion under the partnership agreement.

14 (d) The conversion takes effect when the certificate of  
15 limited partnership is filed or at any later date specified in  
16 the certificate.

17 (e) A general partner who becomes a limited partner as a  
18 result of the conversion remains liable as a general partner  
19 for an obligation incurred by the partnership before the  
20 conversion takes effect. If the other party to a transaction  
21 with the limited partnership reasonably believes when entering  
22 the transaction that the limited partner is a general partner,  
23 the limited partner is liable for an obligation incurred by the  
24 limited partnership within 90 days after the conversion takes  
25 effect. The limited partner's liability for all other  
26 obligations of the limited partnership incurred after the  
27 conversion takes effect is that of a limited partner as  
28 provided in the ~~Revised~~ Uniform Limited Partnership Act (2001).  
29 (Source: P.A. 92-740, eff. 1-1-03.)

30 ARTICLE 13

31 FEES AND OTHER MATTERS

32 Section 1301. List of partnerships.

33 (a) The Secretary of State may publish a list or lists of  
34 limited partnerships and foreign limited partnerships, with

1 such frequency, in such format, and for such fees as the  
2 Secretary may in his or her discretion provide by rule. The  
3 Secretary may disseminate information concerning limited  
4 partnerships and foreign limited partnerships by computer  
5 network, in such format and for such fees as may be determined  
6 by rule.

7 (b) Any list published under subsection (a) shall be free  
8 to each member of the General Assembly and to each State agency  
9 or department and to each Recorder in this State, submitting a  
10 written request for same. To all others an appropriate fee to  
11 cover the cost of producing the list shall be charged, and  
12 shall be established by rule.

13 Section 1302. Fees.

14 (a) The Secretary of State shall charge and collect in  
15 accordance with the provisions of this Act and rules  
16 promulgated pursuant to its authority:

17 (1) fees for filing documents;

18 (2) miscellaneous charges;

19 (3) fees for the sale of lists of filings, copies of  
20 any documents, and for the sale or release of any  
21 information.

22 (b) The Secretary of State shall charge and collect for:

23 (1) filing certificates of limited partnership  
24 (domestic), certificates of admission (foreign), restated  
25 certificates of limited partnership (domestic), and  
26 restated certificates of admission (foreign), \$150;

27 (2) filing certificates to be governed by this Act,  
28 \$50;

29 (3) filing amendments and certificates of amendment,  
30 \$50;

31 (4) filing certificates of cancellation, \$25;

32 (5) filing an application for use of an assumed name  
33 under Section 108.5 of this Act, \$150 for each year or part  
34 thereof ending in 0 or 5, \$120 for each year or part  
35 thereof ending in 1 or 6, \$90 for each year or part thereof

1 ending in 2 or 7, \$60 for each year or part thereof ending  
2 in 3 or 8, \$30 for each year or part thereof ending in 4 or  
3 9, and a renewal for each assumed name, \$150;

4 (6) filing an annual report of a domestic or foreign  
5 limited partnership, \$100;

6 (7) filing an application for reinstatement of a  
7 domestic or foreign limited partnership, and for issuing a  
8 certificate of reinstatement, \$200;

9 (8) filing any other document, \$50.

10 (c) The Secretary of State shall charge and collect:

11 (1) for furnishing a copy or certified copy of any  
12 document, instrument or paper relating to a limited  
13 partnership or foreign limited partnership, \$25; and

14 (2) for the transfer of information by computer process  
15 media to any purchaser, fees established by rule.

16 Section 1303. Powers of the Secretary of State and  
17 rulemaking.

18 (a) The Secretary of State shall have the power and  
19 authority reasonably necessary to administer this Act  
20 efficiently and to perform the duties herein imposed. The  
21 Secretary of State's function pursuant to this Act is to be a  
22 central depository for the certificates of limited partnership  
23 and certificates of admission required by this Act and to  
24 record the assumed names used by limited partnerships and  
25 foreign limited partnerships.

26 (b) The Secretary of State shall have authority to  
27 promulgate rules pursuant to the Illinois Administrative  
28 Procedure Act, as are necessary to administer this Act  
29 efficiently and to perform the duties herein imposed.

30 Section 1304. Certified copies and certificates.

31 (a) Copies, photostatic or otherwise, of any and all  
32 documents filed in the Office of the Secretary of State in  
33 accordance with the provisions of this Act, when certified by  
34 the Secretary of State under the Great Seal of the State of

1 Illinois, shall be taken and received in all courts, public  
2 offices and official bodies as prima facie evidence of the  
3 facts therein stated.

4 (b) Certificates by the Secretary of State under the Great  
5 Seal of the State of Illinois as to the existence or  
6 nonexistence of facts relating to limited partnerships, or  
7 foreign limited partnerships, which would not appear from a  
8 certified copy of any document, shall be taken and received in  
9 all courts, public offices and official bodies as prima facie  
10 evidence of the existence or nonexistence of the facts therein  
11 stated.

12 Section 1305. Federal Employers Identification Number. All  
13 documents required by this Act to be filed in the Office of the  
14 Secretary of State shall contain the Federal Employers  
15 Identification Number of the limited partnership or foreign  
16 limited partnership with respect to which the document is  
17 filed, unless the partnership has not obtained a Federal  
18 Employer Identification Number at the time of filing. In the  
19 event a limited partnership or foreign limited partnership does  
20 not have a Federal Employer Identification Number at the time  
21 of such filing, such a number shall be obtained on behalf of  
22 such partnership and shall be given to the Secretary of State  
23 within 180 days after filing its initial document with the  
24 Secretary of State.

25 Section 1306. Forms. All documents required by this Act to  
26 be filed in the Office of the Secretary of State shall be made  
27 on or accompanied by forms which shall be prescribed and  
28 furnished by the Secretary of State.

29 Section 1307. File number. All documents required by this  
30 Act to be filed in the Office of the Secretary of State, with  
31 the exception of each domestic or foreign limited partnership's  
32 initial filing, shall contain the limited partnership's file  
33 number as assigned by the Office of the Secretary of State.

1           Section 1308. Department of Business Services Special  
2 Operations Fund.

3           (a) A special fund in the State Treasury is created and  
4 shall be known as the Department of Business Services Special  
5 Operations Fund. Moneys deposited into the Fund shall, subject  
6 to appropriation, be used by the Department of Business  
7 Services of the Office of the Secretary of State, hereinafter  
8 "Department", to create and maintain the capability to perform  
9 expedited services in response to special requests made by the  
10 public for same day or 24 hour service. Moneys deposited into  
11 the Fund shall be used for, but not limited to, expenditures  
12 for personal services, retirement, social security contractual  
13 services, equipment, electronic data processing, and  
14 telecommunications.

15           (b) The balance in the Fund at the end of any fiscal year  
16 shall not exceed \$600,000 and any amount in excess thereof  
17 shall be transferred to the General Revenue Fund.

18           (c) All fees payable to the Secretary of State under this  
19 Section shall be deposited into the Fund. No other fees or  
20 charges collected under this Act shall be deposited into the  
21 Fund.

22           (d) "Expedited services" means services rendered within  
23 the same day, or within 24 hours from the time the request  
24 therefor is submitted by the filer, law firm, service company,  
25 or messenger physically in person, or at the Secretary of  
26 State's discretion, by electronic means, to the Department's  
27 Springfield Office or Chicago Office and includes requests for  
28 certified copies, photocopies, and certificates of existence  
29 or abstracts of computer record made to the Department's  
30 Springfield Office in person or by telephone, or requests for  
31 certificates of existence or abstracts of computer record made  
32 in person or by telephone to the Department's Chicago Office.

33           (e) Fees for expedited services shall be as follows:

34                 Merger or conversion, \$200;

35                 Certificate of limited partnership, \$100;

1 Certificate of amendment, \$100;  
2 Reinstatement, \$100;  
3 Application for admission to transact business, \$100;  
4 Certificate of cancellation of admission, \$100;  
5 Certificate of existence or abstract of computer  
6 record, \$20.

7 All other filings, copies of documents, annual renewal  
8 reports, and copies of documents of canceled limited  
9 partnerships, \$50.

10 Section 1309. Judicial review under the Administrative  
11 Review Law.

12 (a) If the Secretary of State shall fail to approve  
13 documents as conforming to the law and file any document  
14 required by this Act to be approved by the Secretary of State  
15 before the same shall be filed in his or her business office,  
16 the Secretary shall, within 10 business days after the delivery  
17 thereof to him or her, give written notice of his or her  
18 disapproval to the person or partnership delivering the same,  
19 specifying the reasons therefor. The decision of the Secretary  
20 of State is subject to judicial review under the Administrative  
21 Review Law, as now or hereafter amended.

22 (b) Appeals may be taken from all final orders and  
23 judgments entered by the circuit court under this Section in  
24 review of any ruling or decision of the Secretary of State as  
25 in other civil actions by either party to the proceeding.

26 Section 1310. Illinois Administrative Procedure Act. The  
27 Illinois Administrative Procedure Act is hereby expressly  
28 adopted and incorporated herein as if all of the provisions of  
29 that Act were included in this Act, except that the provision  
30 of subsection (d) of Section 10-65 of the Illinois  
31 Administrative Procedure Act that provides that at hearing the  
32 licensee has the right to show compliance with all lawful  
33 requirements for retention, continuation or renewal of the  
34 license is specifically excluded. For the purposes of this Act



1 the notice required under Section 10-25 of the Illinois  
2 Administrative Procedure Act is deemed sufficient when mailed  
3 to the last known address of a party.

4 ARTICLE 14

5 REPEAL AND EFFECTIVE DATE

6 (805 ILCS 210/Act rep.)

7 Section 1401. Repeal. Effective January 1, 2008, the  
8 following Act is repealed: the Revised Uniform Limited  
9 Partnership Act as amended and in effect immediately before the  
10 effective date of this Act.

11 Section 1402. Effective date. This Act takes effect January  
12 1, 2005.