

### **487.303 Liability to third parties.**

1. Except as provided in subsection 4, a limited partner is not liable for the obligations of a limited partnership unless the limited partner is also a general partner or, in addition to the exercise of the limited partner's rights and powers as a limited partner, the limited partner participates in the control of the business. However, if the limited partner participates in the control of the business, the limited partner is liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.

2. A limited partner does not participate in the control of the business within the meaning of subsection 1 solely by doing one or more of the following:

*a.* Being a contractor for or an agent or employee of the limited partnership.

*b.* Being a contractor for or an agent, employee, manager, member, director, officer, or shareholder of or a limited partner of a general partner, or a partner in a limited liability partnership that is a general partner.

*c.* Consulting with and advising a general partner with respect to the business of the limited partnership.

*d.* Acting as surety for the limited partnership or guaranteeing or assuming one or more specific obligations of the limited partnership.

*e.* Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership.

*f.* Requesting or attending a meeting of partners.

*g.* Proposing, approving, or disapproving, by voting or otherwise, one or more of the following matters:

(1) The dissolution and winding up of the limited partnership.

(2) The sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all the assets of the limited partnership.

(3) The incurrence of indebtedness by the limited partnership other than in the ordinary course of its business.

(4) A change in the nature of the business.

(5) The admission or removal of a general partner.

(6) The admission or removal of a limited partner.

(7) A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners.

(8) An amendment to the partnership agreement or certificate of limited partnership.

(9) Matters related to the business of the limited partnership not otherwise enumerated in this subsection, which the partnership agreement states in writing may be subject to the approval or disapproval of limited partners.

*h.* Winding up the limited partnership pursuant to section 487.803.

*i.* Exercising any right or power permitted to limited partners under this chapter and not specifically enumerated in this subsection.

3. The enumeration in subsection 2 does not mean that the possession or exercise of any other powers by a limited partner constitutes participation by the limited partner in the business of the limited partnership.

4. A limited partner who knowingly permits the limited partner's name to be used in the name of the limited partnership, except under circumstances permitted by section 487.102, subsection 2, is liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

[C24, 27, 31, 35, 39, § **9812, 9814**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 545.7, 545.9; 82 Acts, ch 1103, § 303]

C93, § 487.303

97 Acts, ch 188, § 25