

490A.706 General standards of conduct for managers.

1. A manager shall discharge that manager's duties as a manager in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner the manager believes to be in the best interests of the limited liability company.
2. In discharging the manager's duties, a manager is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:
 - a. One or more managers or employees of the limited liability company whom the manager reasonably believes to be reliable and competent in the matters presented.
 - b. Legal counsel, public accountants, or other persons as to matters the manager reasonably believes are within the person's professional or expert competence.
 - c. A committee of managers of which the manager is not a member if the manager reasonably believes the committee merits confidence.
3. A manager is not acting in good faith if the manager has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection 2 unwarranted.
4. A manager is not liable for any action taken as a manager or any failure to take any action, if the manager performed the duties of the manager's office in compliance with this section, or if, and to the extent that, liability for any such action or failure to act has been limited by the articles of organization pursuant to section 490A.707.