

§1044. General standards of partner's conduct

1. Partner's fiduciary duties. The only fiduciary duties a partner owes to the partnership and the other partners are the duty of loyalty and the duty of care set forth in subsections 2 and 3 as those duties may be clarified or limited in the partnership agreement to the extent and in the manner authorized by section 1003, subsection 2.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

2. Duty of loyalty limited. A partner's duty of loyalty to the partnership and the other partners is limited to the following:

A. To account to the partnership and hold as trustee for it any property, profit or benefit derived by the partner in the conduct and winding up of the partnership business or derived from a use by the partner of partnership property, including the appropriation of a partnership opportunity; [PL 2005, c. 543, Pt. A, §2 (NEW).]

B. To refrain from knowingly dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and [PL 2005, c. 543, Pt. A, §2 (NEW).]

C. To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership. [PL 2005, c. 543, Pt. A, §2 (NEW).]

[PL 2005, c. 543, Pt. A, §2 (NEW).]

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

[PL 2005, c. 543, Pt. A, §2 (NEW).]

4. Obligation of good faith and fair dealing. A partner shall discharge the duties to the partnership and the other partners under this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing, as those obligations may be clarified in the partnership agreement to the extent and in the manner authorized by section 1003, subsection 2.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

5. Partner's own interest. A partner does not violate a duty or obligation under this chapter or under the partnership agreement merely because the partner's conduct furthers the partner's own interest.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

6. Loan to and business with partnership. A partner may lend money to and transact other business with the partnership, and as to each loan or transaction the rights and obligations of the partner are the same as those of a person who is not a partner, subject to other applicable law.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

7. Personal or legal representative. This section applies to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 543, §A2 (NEW).

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