

362.2-408 General standards of general partner's conduct.

- (1) The fiduciary duties that a general partner has to the limited partnership and the other partners include the duties of loyalty and care under subsections (2) and (3) of this section.
- (2) A general partner's duty of loyalty to the limited partnership and the other partners includes, but it not limited to, the following:
 - (a) To account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity;
 - (b) To refrain from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership; and
 - (c) To refrain from competing with the limited partnership in the conduct or winding up of the limited partnership's activities.
- (3) A general partner's duty of care to the limited partnership and the other partners in the conduct and winding up of the limited partnership's activities includes, but it not limited to, acting with the care that a reasonable person in a like position would exercise under similar circumstances and in a manner that the partner believes to be in the best interests of the limited partnership.
- (4) A general partner shall discharge the duties to the limited partnership and the other partners under this subchapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.
- (5) A general partner does not violate a duty or obligation under this subchapter or under the partnership agreement merely because the general partner's conduct furthers the general partner's own interest. That a transaction was fair to the limited partnership shall not constitute a defense to the breach of the obligation in subsection (2) of this section.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 122, effective July 12, 2012. -- Created 2006 Ky. Acts ch. 149, sec. 128, effective July 12, 2006.