


Delaware Code Section 17-303(b)(1)

Liability to third parties

(a) A limited partner is not liable for the obligations of a limited partnership unless he or she is also a general partner or, in addition to the exercise of the rights and powers of a limited partner, he or she participates in the control of the business. However, if the limited partner does participate in the control of the business, he or she 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.

(b) A limited partner does not participate in the control of the business within the meaning of subsection (a) of this section by virtue of possessing or, regardless of whether or not the limited partner has the rights or powers, exercising or attempting to exercise 1 or more of the following rights or powers or having or, regardless of whether or not the limited partner has the rights or powers, acting or attempting to act in 1 or more of the following capacities:

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- (1) To be an independent contractor for or to transact business with, including being a contractor for, or to be an agent or employee of, the limited partnership or a general partner, or to be an officer, director, stockholder, or interest holder of a corporate general partner, or to be a partner or interest holder of a partnership that is a general partner of the limited partnership, or to be a trustee, administrator, executor, custodian, fiduciary, beneficiary, or interest holder of an estate or trust which is a general partner, or to be a trustee, officer, advisor, stockholder, beneficiary, beneficial owner, or interest holder of a business trust or a statutory trust which is a general partner or to be a member, manager, agent, employee, or interest holder of a limited liability company which is a general partner;
 - (2) To consult with or advise a general partner or any other person with respect to any matter, including the business of the limited partnership, or to act or cause a general partner or any other person to take or refrain from taking any action, including by proposing, approving, consenting or disapproving, by voting or otherwise, with respect to any matter, including the business of the limited partnership;
 - (3) To act as surety, guarantor or endorser for the limited partnership or a general partner, to guaranty or assume 1 or more obligations of the limited partnership or a general partner, to borrow money from the limited partnership or a general partner, to lend money to the limited partnership or a general partner, or to provide collateral for the limited partnership or a general partner;
 - (4) To call, request, or attend or participate at a meeting of the partners or the limited partners;
 - (5) To wind up a limited partnership pursuant to § 17-803 of this title;
 - (6) To take any action required or permitted by law to bring, pursue or settle or otherwise terminate a derivative action in the right of the limited partnership;
 - (7) To serve on a committee of the limited partnership or the limited partners or partners or to appoint, elect or otherwise participate in the choice of a representative or another person to serve on any such committee, and to act as a member of any such committee directly or by or through any such representative or other person;
 - (8) To act or cause the taking or refraining from the taking of any action, including by proposing, approving, consenting or disapproving, by voting or otherwise, with respect to 1 or more of the following matters:

- a. The dissolution and winding up of the limited partnership or an election to continue the limited partnership or an election to continue the business of the limited partnership;
- b. The sale, exchange, lease, mortgage, assignment, pledge or other transfer of, or granting of a security interest in, any asset or assets of the limited partnership;
- c. The incurrence, renewal, refinancing or payment or other discharge of indebtedness by the limited partnership;
- d. A change in the nature of the business;
- e. The admission, removal or retention of a general partner;
- f. The admission, removal or retention of a limited partner;
- g. A transaction or other matter involving an actual or potential conflict of interest;
- h. An amendment to the partnership agreement or certificate of limited partnership;
- i. The merger or consolidation of a limited partnership;
- j. In respect of a limited partnership which is registered as an investment company under the Investment Company Act of 1940, as amended [15 U.S.C. § 80a-1 et seq.], any matter required by the Investment Company Act of 1940, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, to be approved by the holders of beneficial interests in an investment company, including the electing of directors or trustees of the investment company, the approving or terminating of investment advisory or underwriting contracts and the approving of auditors;
- k. The indemnification of any partner or other person;
- l. The making of, or calling for, or the making of other determinations in connection with, contributions;
- m. The making of, or the making of other determinations in connection with or concerning, investments, including investments in property, whether real, personal or mixed, either directly or indirectly, by the limited partnership;
- n. The nomination, appointment, election or other manner of selection or removal of an independent contractor for, or an agent or employee of, the limited partnership or a general partner, or an officer, director or stockholder of a corporate general partner, or a partner of a partnership which is a general partner, or a trustee, administrator, executor, custodian or other fiduciary or beneficiary of an estate or trust which is a general partner, or a trustee, officer, advisor, stockholder or beneficiary of a business trust or a statutory trust which is a general partner, or a member or manager of a limited liability company which is a general partner, or a member of a governing body of, or a fiduciary for, any person, whether domestic or foreign, which is a general partner; or
- o. Such other matters as are stated in the partnership agreement or in any other agreement or in writing;

(9) To serve on the board of directors or a committee of, to consult with or advise, to be an officer, director, stockholder, partner, member, manager, trustee, agent or employee of, or to be a fiduciary or contractor for, any person in which the limited partnership has an interest or any person providing management, consulting, advisory, custody or other services or products for, to or on behalf of, or otherwise having a business or other relationship with, the limited partnership or a general partner of the limited partnership; or

(10) Any right or power granted or permitted to limited partners under this chapter and not specifically enumerated in this subsection.

(c) The enumeration in subsection (b) of this section does not mean that the possession or exercise of any other powers or having or acting in other capacities by a limited partner constitutes participation by him or her in the control of the business of the limited partnership.

(d) A limited partner does not participate in the control of the business within the meaning of subsection (a) of this section by virtue of the fact that all or any part of the name of such limited partner is included in the name of the limited partnership.

(e) This section does not create rights or powers of limited partners. Such rights and powers may be created only by a certificate of limited partnership, a partnership agreement or any other agreement or in writing, or other sections of this chapter.

(f) A limited partner does not participate in the control of the business within the meaning of subsection (a) of this section regardless of the nature, extent, scope, number or frequency of the limited partner's possessing or, regardless of whether or not the limited partner has the rights or powers, exercising or attempting to exercise 1 or more of the rights or powers or having or, regardless of whether or not the limited partner has the rights or powers, acting or attempting to act in 1 or more of the capacities which are permitted under this section.