

§1559. Duties of members and other persons

Except as may be set forth in the limited liability company agreement in accordance with sections 1521 and 1522, the following provisions apply. [PL 2009, c. 629, Pt. A, §2 (NEW); PL 2009, c. 629, Pt. A, §3 (AFF).]

1. Good faith; diligence; care; skill. Persons shall discharge their duties under this chapter in good faith with a view to the interests of the limited liability company and of the members and with the degree of diligence, care and skill that ordinarily prudent persons would exercise under similar circumstances in like positions. For purposes of this section, the interests of each low-profit limited liability company and its members include furthering the purposes set forth in its certificate of formation consistent with statements required to be made in its certificate of formation pursuant to section 1611, subsection 2.

[PL 2009, c. 629, Pt. A, §2 (NEW); PL 2009, c. 629, Pt. A, §3 (AFF).]

2. Personal liability. A member or other person may not be held personally liable for monetary damages for failure to discharge any duty unless the member or other person is found not to have acted honestly or in the reasonable belief that the action was in or not opposed to the best interests of the limited liability company or its members.

[PL 2009, c. 629, Pt. A, §2 (NEW); PL 2009, c. 629, Pt. A, §3 (AFF).]

3. Fiduciary duty. Subject to the terms of section 1521, subsection 3, paragraph A, a member not involved in the management of a limited liability company does not have a fiduciary duty to the limited liability company, or to any other member, or to another person that is a party to or is otherwise bound by a limited liability company agreement, solely by reason of being a member. A member may not be considered to be involved in the management of a limited liability company as a result of the following:

A. Having the right to vote or elect those persons that will manage the business of a limited liability company; or [PL 2009, c. 629, Pt. A, §2 (NEW); PL 2009, c. 629, Pt. A, §3 (AFF).]

B. Having the power to vote on, approve or veto certain material transactions or actions involving the limited liability company, including the sale, merger, conversion or dissolution of a limited liability company, the amendment of the limited liability company agreement or its certificate of formation, the issuance of additional interests or admission of new members, the incurrence of indebtedness or granting of liens, the acquisition of another business or any portion of another business, however effected, the timing and amount of distributions or the undertaking of any other action outside the ordinary course of the limited liability company's activities. The actions and transactions described in this paragraph are not intended to be exclusive and no inference may be made from the absence of a particular action or transaction from the list of actions and transactions in this paragraph. [PL 2009, c. 629, Pt. A, §2 (NEW); PL 2009, c. 629, Pt. A, §3 (AFF).]

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SECTION HISTORY

PL 2009, c. 629, Pt. A, §2 (NEW). PL 2009, c. 629, Pt. A, §3 (AFF).

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