

(IV) APPROVING OR DISAPPROVING AN AMENDMENT TO THE PARTNERSHIP AGREEMENT; OR

(V) VOTING ON ONE OR MORE OF THE FOLLOWING MATTERS:

1. THE DISSOLUTION AND WINDING UP OF THE LIMITED PARTNERSHIP;

2. THE SALE, EXCHANGE, LEASE, MORTGAGE, PLEDGE, OR OTHER TRANSFER OF ALL OR SUBSTANTIALLY ALL THE ASSETS OF THE LIMITED PARTNERSHIP;

3. THE INCURRENCE OF INDEBTEDNESS BY THE LIMITED PARTNERSHIP OTHER THAN IN THE ORDINARY COURSE OF ITS BUSINESS;

4. A CHANGE IN THE NATURE OF ITS BUSINESS;

5. THE REMOVAL OF A GENERAL PARTNER;
OR

6. THE ADMISSION OF A GENERAL OR LIMITED PARTNER;

(2) THE ENUMERATION IN SUBSECTION (B)(1) OF THIS SUBSECTION DOES NOT NECESSARILY MEAN THAT THE POSSESSION OR EXERCISE OF ANY OTHER POWERS BY A LIMITED PARTNER CONSTITUTES PARTICIPATION BY THE LIMITED PARTNER IN THE BUSINESS OF THE LIMITED PARTNERSHIP.

(C) PERMISSION TO USE NAME. A LIMITED PARTNER WHO KNOWINGLY PERMITS HIS NAME TO BE USED IN THE NAME OF THE LIMITED PARTNERSHIP, EXCEPT UNDER CIRCUMSTANCES PERMITTED BY § 10-102(A)(2) OF THIS TITLE, IS LIABLE TO CREDITORS WHO EXTEND CREDIT TO THE LIMITED PARTNERSHIP WITHOUT ACTUAL KNOWLEDGE THAT THE LIMITED PARTNER IS NOT A GENERAL PARTNER.

COMMENT

This section makes several important changes in § 10-106(b) of the previous Limited Partnership Act (§ 7 of the prior uniform law). The first sentence of § 10-303(a) carries over the basic test from § 10-106(b)(1) of the previous Limited Partnership Act (§ 7 of the prior uniform law) -- whether the limited partner "takes part in the control of the business" -- in order to insure that judicial decisions under the prior uniform law remain applicable to the extent not expressly changed. The second sentence of § 10-303(a) reflects a wholly new concept. Because of the difficulty of determining when the "control" line has been overstepped, it was thought unfair to impose general partner's liability on a limited partner except to the extent that a third party had knowledge of his participation in control of the business. On the other hand, in order to avoid permitting a limited partner to exercise all of the