

56-1a204. Person erroneously believing self to be limited partner. (a) Except as provided in subsection (b), a person who makes a contribution to a partnership and who erroneously but in good faith believes that the person has become a limited partner in the partnership is not a general partner in the partnership and is not bound by its obligations by reason of making the contribution, receiving distributions from the partnership or exercising any rights of a limited partner if, on ascertaining the mistake, such person withdraws from future equity participation in the enterprise by taking such action as may be necessary to withdraw.

(b) A person who makes a contribution under the circumstances described in subsection (a) is liable as a general partner to any third party who transacts business with the partnership prior to the occurrence of either of the events referred to in subsection (a):

(1) If the person knew or should have known either that no certificate has been filed or that the certificate inaccurately refers to the person as a general partner; and

(2) if the third party actually believed in good faith that the person was a general partner at the time of the transaction and acted in reliance on such belief.

History: L. 1983, ch. 88, § 21; L. 1988, ch. 195, § 9; July 1.