
By: Delegate Frank

Introduced and read first time: January 31, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Revised Uniform Partnership Act**

3 FOR the purpose of enacting the Revised Uniform Partnership Act; repealing the prior
4 Uniform Partnership Act; establishing rules to govern the relations among partners
5 in situations not addressed in a partnership agreement; providing for the formation
6 of partnerships, relations of partners to persons dealing with a partnership,
7 relations of partners to each other and to the partnership transferees and creditors
8 of partners, dissociations of partners, and conversions and mergers of partnerships;
9 providing for the application of this Act; making this Act severable; and generally
10 relating to partnership law.

11 BY repealing

12 Article - Corporations and Associations
13 Section 9-101 through 9-912 and the various subtitles
14 Annotated Code of Maryland
15 (1993 Replacement Volume and 1995 Supplement)

16 BY adding to

17 Article - Corporations and Associations
18 Section 9-101 through 9-1205 and the various subtitles
19 Annotated Code of Maryland
20 (1993 Replacement Volume and 1995 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article - Corporations and Associations
23 Section 1-101(p), 1-203(4), (5), and (8), 1-401, 3-102(a), 3-109(a) and (c),
24 3-111(b), 3-112, 3-114, 4A-701, 4A-702, 4A-703, 4A-704, 4A-706, 4A-707,
25 4A-709, 7-206, 8-501.1(a), (b), (c), (j), (k), (m), and (n), 10-101,10-106,
26 10-208, 10-402, 10-403, 10-607, 10-608, 10-912, and 10-1001
27 Annotated Code of Maryland
28 (1993 Replacement Volume and 1995 Supplement)

29 BY adding to

30 Article - Corporations and Associations
31 Section 1-203(9), 3-101(j) and (k), 4A-101(r), and 10-805

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1 Annotated Code of Maryland
2 (1993 Replacement Volume and 1995 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article - Tax - General
5 Section 4-301(c), 10-906(d)(3), and 11-601(d)
6 Annotated Code of Maryland
7 (1988 Volume and 1995 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article - Tax - Property
10 Section 12-101(c), (i), and (k), 12-103(d), 12-105(g), 12-109(b), 13-101(c), (e),
11 and (g), 13-205(d), and 13-404(a) and (e)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1995 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That Section(s) 9-101 through 9-912 and the various subtitles of Article -
16 Corporations and Associations of the Annotated Code of Maryland be repealed.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
18 read as follows:

19 **Article - Corporations and Associations**

20 **SUBTITLE 1. GENERAL PROVISIONS.**

21 **9-101. DEFINITIONS.**

22 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

23 (B) "BUSINESS" INCLUDES EVERY TRADE, OCCUPATION, AND PROFESSION.

24 (C) "DEBTOR IN BANKRUPTCY" MEANS A PERSON WHO IS THE SUBJECT OF:

25 (1) AN ORDER FOR RELIEF UNDER TITLE 11 OF THE UNITED STATES
26 CODE OR A COMPARABLE ORDER UNDER A SUCCESSOR STATUTE OF GENERAL
27 APPLICATION; OR

28 (2) A COMPARABLE ORDER UNDER FEDERAL, STATE, OR FOREIGN LAW
29 GOVERNING INSOLVENCY.

30 (D) "DISTRIBUTION" MEANS A TRANSFER OF MONEY OR OTHER PROPERTY
31 FROM A PARTNERSHIP TO A PARTNER IN THE PARTNER'S CAPACITY AS A PARTNER
32 OR TO THE PARTNER'S TRANSFEREE.

33 (E) "FOREIGN LIMITED LIABILITY PARTNERSHIP" MEANS A PARTNERSHIP
34 THAT IS FORMED IN ACCORDANCE WITH AN AGREEMENT GOVERNED BY THE LAWS
35 OF A STATE OTHER THAN THE STATE OF MARYLAND AND REGISTERED OR
36 DENOMINATED AS A LIMITED LIABILITY PARTNERSHIP OR REGISTERED LIMITED
37 LIABILITY PARTNERSHIP UNDER THE LAWS OF SUCH OTHER STATE, BUT DOES NOT

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1 INCLUDE A FOREIGN LIMITED PARTNERSHIP REGISTERED OR DENOMINATED AS A
2 LIMITED LIABILITY LIMITED PARTNERSHIP UNDER THE LAWS OF A STATE OTHER
3 THAN THE STATE OF MARYLAND.

4 (F) "FOREIGN LIMITED PARTNERSHIP" MEANS A PARTNERSHIP FORMED
5 UNDER THE LAWS OF ANY STATE OTHER THAN THE STATE OF MARYLAND OR
6 UNDER THE LAWS OF A FOREIGN COUNTRY AND HAVING AS PARTNERS ONE OR
7 MORE GENERAL PARTNERS AND ONE OR MORE LIMITED PARTNERS.

8 (G) "LIMITED LIABILITY PARTNERSHIP" MEANS A PARTNERSHIP THAT:

9 (1) IS FORMED IN ACCORDANCE WITH AN AGREEMENT GOVERNED BY
10 THE LAWS OF THIS STATE;

11 (2) IS REGISTERED UNDER § 9-1001 OF THIS ARTICLE; AND

12 (3) COMPLIES WITH THE PROVISIONS OF SUBTITLE 10 OF THIS ARTICLE.

13 (H) "LIMITED PARTNERSHIP" AND "DOMESTIC LIMITED PARTNERSHIP"
14 MEANS A LIMITED PARTNERSHIP FORMED BY TWO OR MORE PERSONS UNDER THE
15 LAWS OF THE STATE OF MARYLAND AND HAVING ONE OR MORE GENERAL
16 PARTNERS AND ONE OR MORE LIMITED PARTNERS.

17 (I) "PARTNERSHIP" MEANS AN ASSOCIATION OF TWO OR MORE PERSONS TO
18 CARRY ON AS CO-OWNERS A BUSINESS FOR PROFIT FORMED UNDER § 9-202 OF THIS
19 TITLE, PREDECESSOR LAW, OR COMPARABLE LAW OF ANOTHER JURISDICTION AND
20 INCLUDES, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, A LIMITED LIABILITY
21 PARTNERSHIP AND A FOREIGN LIMITED LIABILITY PARTNERSHIP.

22 (J) "PARTNERSHIP AGREEMENT" MEANS THE AGREEMENT, WHETHER
23 WRITTEN, ORAL, OR IMPLIED, AMONG THE PARTNERS CONCERNING THE
24 PARTNERSHIP, INCLUDING AMENDMENTS TO THE PARTNERSHIP AGREEMENT.

25 (K) "PARTNERSHIP AT WILL" MEANS A PARTNERSHIP IN WHICH THE
26 PARTNERS HAVE NOT AGREED TO REMAIN PARTNERS UNTIL THE EXPIRATION OF A
27 DEFINITE TERM OR THE COMPLETION OF A PARTICULAR UNDERTAKING.

28 (L) "PARTNERSHIP INTEREST" OR "PARTNER'S INTEREST IN THE
29 PARTNERSHIP" MEANS ALL OF A PARTNER'S INTERESTS IN THE PARTNERSHIP,
30 INCLUDING THE PARTNER'S TRANSFERABLE INTEREST AND ALL MANAGEMENT
31 AND OTHER RIGHTS.

32 (M) "PROPERTY" MEANS ALL PROPERTY, REAL, PERSONAL, OR MIXED,
33 TANGIBLE OR INTANGIBLE, OR ANY INTEREST THEREIN.

34 (N) "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF
35 COLUMBIA, THE COMMONWEALTH OF PUERTO RICO, OR ANY TERRITORY OR
36 INSULAR POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.

37 (O) "STATEMENT" MEANS A STATEMENT OF PARTNERSHIP AUTHORITY
38 UNDER § 9-303 OF THIS TITLE, A STATEMENT OF DENIAL UNDER § 9-304 OF THIS
39 TITLE, A STATEMENT OF DISSOCIATION UNDER § 9-704 OF THIS TITLE, A STATEMENT

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1 OF DISSOLUTION UNDER § 9-805 OF THIS TITLE, OR AN AMENDMENT OR
2 CANCELLATION OF ANY OF THE FOREGOING.

3 (P) "TRANSFER" INCLUDES AN ASSIGNMENT, CONVEYANCE, LEASE,
4 MORTGAGE, DEED, AND ENCUMBRANCE.

5 9-102. KNOWLEDGE AND NOTICE.

6 (A) A PERSON KNOWS A FACT IF THE PERSON HAS ACTUAL KNOWLEDGE OF
7 IT.

8 (B) A PERSON HAS NOTICE OF A FACT IF THE PERSON:

9 (1) KNOWS OF IT;

10 (2) HAS RECEIVED A NOTIFICATION OF IT; OR

11 (3) HAS REASON TO KNOW IT EXISTS FROM ALL OF THE FACTS KNOWN
12 TO THE PERSON AT THE TIME IN QUESTION.

13 (C) A PERSON NOTIFIES OR GIVES A NOTIFICATION TO ANOTHER BY TAKING
14 STEPS REASONABLY REQUIRED TO INFORM THE OTHER PERSON IN ORDINARY
15 COURSE, WHETHER OR NOT THE OTHER PERSON LEARNS OF IT.

16 (D) A PERSON RECEIVES A NOTIFICATION WHEN THE NOTIFICATION:

17 (1) COMES TO THE PERSON'S ATTENTION; OR

18 (2) IS DULY DELIVERED AT THE PERSON'S PLACE OF BUSINESS OR AT
19 ANY OTHER PLACE HELD OUT BY THE PERSON AS A PLACE FOR RECEIVING
20 COMMUNICATIONS.

21 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (F), A PERSON OTHER
22 THAN AN INDIVIDUAL KNOWS, HAS NOTICE, OR RECEIVES A NOTIFICATION OF A
23 FACT FOR PURPOSES OF A PARTICULAR TRANSACTION WHEN THE INDIVIDUAL
24 CONDUCTING THE TRANSACTION KNOWS, HAS NOTICE, OR RECEIVES A
25 NOTIFICATION OF THE FACT, OR IN ANY EVENT WHEN THE FACT WOULD HAVE
26 BEEN BROUGHT TO THE INDIVIDUAL'S ATTENTION IF THE PERSON HAD EXERCISED
27 REASONABLE DILIGENCE. THE PERSON EXERCISES REASONABLE DILIGENCE IF IT
28 MAINTAINS REASONABLE ROUTINES FOR COMMUNICATING SIGNIFICANT
29 INFORMATION TO THE INDIVIDUAL CONDUCTING THE TRANSACTION AND THERE IS
30 REASONABLE COMPLIANCE WITH THE ROUTINES. REASONABLE DILIGENCE DOES
31 NOT REQUIRE AN INDIVIDUAL ACTING FOR THE PERSON TO COMMUNICATE
32 INFORMATION UNLESS THE COMMUNICATION IS PART OF THE INDIVIDUAL'S
33 REGULAR DUTIES OR THE INDIVIDUAL HAS REASON TO KNOW OF THE
34 TRANSACTION AND THAT THE TRANSACTION WOULD BE MATERIALLY AFFECTED
35 BY THE INFORMATION.

36 (F) A PARTNER'S KNOWLEDGE, NOTICE, OR RECEIPT OF A NOTIFICATION OF
37 A FACT RELATING TO THE PARTNERSHIP IS EFFECTIVE IMMEDIATELY AS
38 KNOWLEDGE BY, NOTICE TO, OR RECEIPT OF A NOTIFICATION BY THE
39 PARTNERSHIP, EXCEPT IN THE CASE OF A FRAUD ON THE PARTNERSHIP
40 COMMITTED BY OR WITH THE CONSENT OF THAT PARTNER.

1 9-103. EFFECT OF PARTNERSHIP AGREEMENT; NONWAIVABLE PROVISIONS.

2 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B), RELATIONS
3 AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP ARE
4 GOVERNED BY THE PARTNERSHIP AGREEMENT. TO THE EXTENT THE PARTNERSHIP
5 AGREEMENT DOES NOT OTHERWISE PROVIDE, THIS TITLE GOVERNS RELATIONS
6 AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP.

7 (B) THE PARTNERSHIP AGREEMENT MAY NOT:

8 (1) VARY THE RIGHTS AND DUTIES UNDER § 9-105 OF THIS SUBTITLE
9 EXCEPT TO ELIMINATE THE DUTY TO PROVIDE COPIES OF STATEMENTS TO ALL OF
10 THE PARTNERS;

11 (2) UNREASONABLY RESTRICT THE RIGHT OF ACCESS TO BOOKS AND
12 RECORDS UNDER § 9-403(B) OF THIS TITLE;

13 (3) ELIMINATE THE DUTY OF LOYALTY UNDER § 9-404(B) OR § 9-603(B)(3)
14 OF THIS TITLE, BUT:

15 (I) THE PARTNERSHIP AGREEMENT MAY IDENTIFY SPECIFIC
16 TYPES OR CATEGORIES OF ACTIVITIES THAT DO NOT VIOLATE THE DUTY OF
17 LOYALTY; HOWEVER, THE PARTNERSHIP AGREEMENT MAY NOT BE AMENDED TO
18 EXPAND OR ADD ANY SPECIFIC TYPES OR CATEGORIES OF ACTIVITIES THAT DO
19 NOT VIOLATE THE DUTY OF LOYALTY WITHOUT THE CONSENT OF ALL PARTNERS
20 AFTER FULL DISCLOSURE OF ALL MATERIAL FACTS; OR

21 (II) ALL OF THE PARTNERS OR A NUMBER OR PERCENTAGE OF
22 NOT LESS THAN A MAJORITY OF DISINTERESTED PARTNERS SPECIFIED IN THE
23 PARTNERSHIP AGREEMENT MAY AUTHORIZE OR RATIFY, AFTER FULL DISCLOSURE
24 OF ALL MATERIAL FACTS, A SPECIFIC ACT OR TRANSACTION THAT OTHERWISE
25 WOULD VIOLATE THE DUTY OF LOYALTY;

26 (4) UNREASONABLY REDUCE THE DUTY OF CARE UNDER § 9-404(C) OR §
27 9-603(B)(3) OF THIS TITLE;

28 (5) ELIMINATE THE OBLIGATION OF GOOD FAITH AND FAIR DEALING
29 UNDER § 9-404(D) OF THIS TITLE, BUT THE PARTNERSHIP AGREEMENT MAY
30 PRESCRIBE THE STANDARDS BY WHICH THE PERFORMANCE OF THE OBLIGATION IS
31 TO BE MEASURED, IF THE STANDARDS ARE NOT MANIFESTLY UNREASONABLE;

32 (6) VARY THE POWER TO DISSOCIATE AS A PARTNER UNDER § 9-602(A)
33 OF THIS TITLE, EXCEPT TO REQUIRE THE NOTICE UNDER § 9-601(1) OF THIS TITLE TO
34 BE IN WRITING;

35 (7) VARY THE RIGHT OF A COURT TO EXPEL A PARTNER IN THE EVENTS
36 SPECIFIED IN § 9-601(5) OF THIS TITLE;

37 (8) VARY THE REQUIREMENT TO WIND UP THE PARTNERSHIP BUSINESS
38 IN CASES SPECIFIED IN § 9-801(4), (5), OR (6) OF THIS TITLE; OR

39 (9) RESTRICT RIGHTS OF THIRD PARTIES UNDER THIS TITLE.

1 9-104. SUPPLEMENTAL PRINCIPLES OF LAW.

2 (A) UNLESS DISPLACED BY PARTICULAR PROVISIONS OF THIS TITLE, THE
3 PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS TITLE.

4 (B) IF AN OBLIGATION TO PAY INTEREST ARISES UNDER THIS TITLE AND THE
5 RATE IS NOT SPECIFIED, THE RATE IS THAT SPECIFIED IN § 11-107(A) OF THE COURTS
6 ARTICLE.

7 9-105. EXECUTION, FILING, AND RECORDING OF STATEMENTS.

8 (A) A STATEMENT MAY BE FILED WITH THE DEPARTMENT. A CERTIFIED
9 COPY OF A STATEMENT THAT IS FILED IN AN OFFICE IN ANOTHER STATE
10 CONTAINING SUBSTANTIALLY THE SAME INFORMATION REQUIRED FOR A
11 STATEMENT FILED UNDER THIS TITLE MAY BE FILED WITH THE DEPARTMENT.
12 EITHER FILING HAS THE EFFECT PROVIDED IN THIS TITLE WITH RESPECT TO
13 PARTNERSHIP PROPERTY LOCATED IN OR TRANSACTIONS THAT OCCUR IN THIS
14 STATE.

15 (B) A STATEMENT OF PARTNERSHIP AUTHORITY FILED BY A PARTNERSHIP
16 MUST BE EXECUTED BY AT LEAST TWO PARTNERS. OTHER STATEMENTS MUST BE
17 EXECUTED BY A PARTNER OR OTHER PERSON AUTHORIZED BY THIS TITLE. AN
18 INDIVIDUAL WHO EXECUTES A STATEMENT SHALL PERSONALLY DECLARE UNDER
19 PENALTY OF PERJURY THAT THE CONTENTS OF THE STATEMENT ARE ACCURATE.

20 (C) A PERSON AUTHORIZED BY THIS TITLE TO FILE A STATEMENT MAY
21 AMEND OR CANCEL THE STATEMENT BY FILING AN AMENDMENT OR
22 CANCELLATION THAT NAMES THE PARTNERSHIP, IDENTIFIES THE STATEMENT, AND
23 STATES THE SUBSTANCE OF THE AMENDMENT OR CANCELLATION.

24 (D) A PERSON WHO FILES A STATEMENT PURSUANT TO THIS SECTION SHALL
25 PROMPTLY SEND A COPY OF THE STATEMENT TO EVERY NONFILING PARTNER AND
26 TO ANY OTHER PERSON NAMED AS A PARTNER IN THE STATEMENT. FAILURE TO
27 SEND A COPY OF A STATEMENT TO A PARTNER OR OTHER PERSON DOES NOT LIMIT
28 THE EFFECTIVENESS OF THE STATEMENT AS TO A PERSON NOT A PARTNER.

29 (E) THE DEPARTMENT MAY COLLECT A FEE FOR FILING OR PROVIDING A
30 CERTIFIED COPY OF A STATEMENT.

31 9-106. LAW GOVERNING INTERNAL RELATIONS.

32 (A) EXCEPT AS PROVIDED IN SUBSECTION (B), THE LAW OF THE
33 JURISDICTION IN WHICH A PARTNERSHIP HAS ITS CHIEF EXECUTIVE OFFICE
34 GOVERNS RELATIONS AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND
35 THE PARTNERSHIP.

36 (B) THE LAW OF THE STATE UNDER WHICH A FOREIGN LIMITED LIABILITY
37 PARTNERSHIP IS REGISTERED GOVERNS RELATIONS AMONG THE PARTNERS AND
38 THE FOREIGN LIMITED LIABILITY PARTNERSHIP AND THE LIABILITY OF A PARTNER
39 FOR ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF OR CHARGEABLE TO THE
40 FOREIGN LIMITED LIABILITY PARTNERSHIP OR ANOTHER PARTNER.

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1 (C) A PARTNERSHIP, INCLUDING A LIMITED LIABILITY PARTNERSHIP, MAY
2 CONDUCT ITS BUSINESS, CARRY ON ITS OPERATIONS, AND HAVE AND EXERCISE THE
3 POWERS GRANTED BY THIS TITLE IN ANY STATE, TERRITORY, DISTRICT, OR
4 POSSESSION OF THE UNITED STATES OR IN ANY FOREIGN COUNTRY.

5 (D) IT IS THE INTENT OF THE LEGISLATURE THAT THE LEGAL EXISTENCE OF
6 LIMITED LIABILITY PARTNERSHIPS FORMED AND EXISTING UNDER THIS TITLE OR A
7 PREDECESSOR STATUTE BE RECOGNIZED OUTSIDE THE BOUNDARIES OF THIS
8 STATE AND THAT THE LAWS OF THIS STATE GOVERNING SUCH LIMITED LIABILITY
9 PARTNERSHIPS TRANSACTING BUSINESS OUTSIDE THIS STATE BE GRANTED THE
10 PROTECTION OF FULL FAITH AND CREDIT UNDER THE CONSTITUTION OF THE
11 UNITED STATES.

12 (E) A FOREIGN LIMITED LIABILITY PARTNERSHIP MAY NOT BE DENIED
13 REGISTRATION UNDER SUBTITLE 11 OF THIS TITLE BY REASON OF ANY DIFFERENCE
14 BETWEEN THOSE LAWS AND THE LAWS OF THIS STATE.

15 9-107. PARTNERSHIP SUBJECT TO AMENDMENT OR REPEAL OF THIS TITLE.

16 A PARTNERSHIP GOVERNED BY THIS TITLE IS SUBJECT TO ANY AMENDMENT
17 TO OR REPEAL OF THIS TITLE.

18 SUBTITLE 2. NATURE OF PARTNERSHIP.

19 9-201. PARTNERSHIP AS ENTITY.

20 A PARTNERSHIP IS AN ENTITY DISTINCT FROM ITS PARTNERS.

21 9-202. FORMATION OF PARTNERSHIP.

22 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C), THE
23 UNINCORPORATED ASSOCIATION OF TWO OR MORE PERSONS TO CARRY ON AS
24 CO-OWNERS A BUSINESS FOR PROFIT FORMS A PARTNERSHIP, WHETHER OR NOT
25 THE PERSONS INTEND TO FORM A PARTNERSHIP AND WHETHER OR NOT THE
26 ASSOCIATION IS CALLED "PARTNERSHIP", "JOINT VENTURE", OR ANY OTHER NAME.

27 (B) A PARTNERSHIP MAY BE CREATED UNDER:

28 (1) THIS TITLE;

29 (2) THE MARYLAND UNIFORM PARTNERSHIP ACT AND ITS SUBSEQUENT
30 AMENDMENTS; OR

31 (3) A STATUTE OF ANOTHER JURISDICTION COMPARABLE TO THIS
32 TITLE OR THE MARYLAND UNIFORM PARTNERSHIP ACT AND THEIR RESPECTIVE
33 SUBSEQUENT AMENDMENTS.

34 (C) AN UNINCORPORATED ASSOCIATION OR ENTITY CREATED UNDER A LAW
35 OTHER THAN THE LAWS DESCRIBED IN SUBSECTION (B) IS NOT A PARTNERSHIP.

36 (D) IN DETERMINING WHETHER A PARTNERSHIP IS FORMED, THE
37 FOLLOWING RULES APPLY:

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1 (1) JOINT TENANCY, TENANCY IN COMMON, TENANCY BY THE
2 ENTIRETIES, JOINT PROPERTY, COMMON PROPERTY, OR PART OWNERSHIP DOES
3 NOT BY ITSELF ESTABLISH A PARTNERSHIP, EVEN IF THE CO-OWNERS SHARE
4 PROFITS MADE BY THE USE OF THE PROPERTY.

5 (2) THE SHARING OF GROSS RETURNS DOES NOT BY ITSELF ESTABLISH
6 A PARTNERSHIP, EVEN IF THE PERSONS SHARING THEM HAVE A JOINT OR COMMON
7 RIGHT OR INTEREST IN PROPERTY FROM WHICH THE RETURNS ARE DERIVED.

8 (3) A PERSON WHO RECEIVES A SHARE OF THE PROFITS OF A BUSINESS
9 IS PRESUMED TO BE A PARTNER IN THE BUSINESS, UNLESS THE PROFITS WERE
10 RECEIVED IN PAYMENT:

11 (I) OF A DEBT BY INSTALLMENTS OR OTHERWISE;

12 (II) FOR SERVICES AS AN INDEPENDENT CONTRACTOR OR OF
13 WAGES OR OTHER COMPENSATION TO AN EMPLOYEE;

14 (III) OF RENT;

15 (IV) OF AN ANNUITY OR OTHER RETIREMENT OR HEALTH BENEFIT
16 TO A BENEFICIARY, REPRESENTATIVE, OR DESIGNEE OF A DECEASED OR RETIRED
17 PARTNER;

18 (V) OF INTEREST OR OTHER CHARGE ON A LOAN, EVEN IF THE
19 AMOUNT OF PAYMENT VARIES WITH THE PROFITS OF THE BUSINESS, INCLUDING A
20 DIRECT OR INDIRECT PRESENT OR FUTURE OWNERSHIP OF THE COLLATERAL, OR
21 RIGHTS TO INCOME, PROCEEDS, OR INCREASE IN VALUE DERIVED FROM THE
22 COLLATERAL; OR

23 (VI) FOR THE SALE OF THE GOODWILL OF A BUSINESS OR OTHER
24 PROPERTY BY INSTALLMENTS OR OTHERWISE.

25 9-203. PARTNERSHIP PROPERTY.

26 PARTNERSHIP PROPERTY IS PROPERTY OF THE PARTNERSHIP AND NOT OF
27 THE PARTNERS INDIVIDUALLY.

28 9-204. WHEN PROPERTY IS PARTNERSHIP PROPERTY.

29 (A) PROPERTY IS PARTNERSHIP PROPERTY IF ACQUIRED IN THE NAME OF:

30 (1) THE PARTNERSHIP; OR

31 (2) ONE OR MORE PARTNERS WITH AN INDICATION IN THE
32 INSTRUMENT TRANSFERRING TITLE TO THE PROPERTY OF THE PERSON'S CAPACITY
33 AS A PARTNER OR OF THE EXISTENCE OF A PARTNERSHIP BUT WITHOUT AN
34 INDICATION OF THE NAME OF THE PARTNERSHIP.

35 (B) PROPERTY IS ACQUIRED IN THE NAME OF THE PARTNERSHIP BY A
36 TRANSFER TO:

37 (1) THE PARTNERSHIP IN ITS NAME; OR

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1 (2) ONE OR MORE PARTNERS IN THEIR CAPACITY AS PARTNERS IN THE
2 PARTNERSHIP, IF THE NAME OF THE PARTNERSHIP IS INDICATED IN THE
3 INSTRUMENT TRANSFERRING TITLE TO THE PROPERTY.

4 (C) PROPERTY IS PRESUMED TO BE PARTNERSHIP PROPERTY IF PURCHASED
5 WITH PARTNERSHIP ASSETS, EVEN IF NOT ACQUIRED IN THE NAME OF THE
6 PARTNERSHIP OR OF ONE OR MORE PARTNERS WITH AN INDICATION IN THE
7 INSTRUMENT TRANSFERRING TITLE TO THE PROPERTY OF THE PERSON'S CAPACITY
8 AS A PARTNER OR OF THE EXISTENCE OF A PARTNERSHIP.

9 (D) PROPERTY ACQUIRED IN THE NAME OF ONE OR MORE OF THE
10 PARTNERS, WITHOUT AN INDICATION IN THE INSTRUMENT TRANSFERRING TITLE
11 TO THE PROPERTY OF THE PERSON'S CAPACITY AS A PARTNER OR OF THE
12 EXISTENCE OF A PARTNERSHIP AND WITHOUT USE OF PARTNERSHIP ASSETS, IS
13 PRESUMED TO BE SEPARATE PROPERTY, EVEN IF USED FOR PARTNERSHIP
14 PURPOSES.

15 SUBTITLE 3. RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP.

16 9-301. PARTNER AGENT OF PARTNERSHIP.

17 SUBJECT TO THE EFFECT OF A STATEMENT OF PARTNERSHIP AUTHORITY
18 UNDER § 9-303 OF THIS SUBTITLE:

19 (1) EACH PARTNER IS AN AGENT OF THE PARTNERSHIP FOR THE
20 PURPOSE OF ITS BUSINESS. AN ACT OF A PARTNER, INCLUDING THE EXECUTION OF
21 AN INSTRUMENT IN THE PARTNERSHIP NAME, FOR APPARENTLY CARRYING ON IN
22 THE ORDINARY COURSE THE PARTNERSHIP BUSINESS OR BUSINESS OF THE KIND
23 CARRIED ON BY THE PARTNERSHIP BINDS THE PARTNERSHIP, UNLESS THE
24 PARTNER HAD NO AUTHORITY TO ACT FOR THE PARTNERSHIP IN THE PARTICULAR
25 MATTER AND THE PERSON WITH WHOM THE PARTNER WAS DEALING KNEW OR HAD
26 RECEIVED A NOTIFICATION THAT THE PARTNER LACKED AUTHORITY.

27 (2) AN ACT OF A PARTNER WHICH IS NOT APPARENTLY FOR CARRYING
28 ON IN THE ORDINARY COURSE THE PARTNERSHIP BUSINESS OR BUSINESS OF THE
29 KIND CARRIED ON BY THE PARTNERSHIP BINDS THE PARTNERSHIP ONLY IF THE
30 ACT WAS AUTHORIZED BY THE OTHER PARTNERS.

31 9-302. TRANSFER OF PARTNERSHIP PROPERTY.

32 (A) PARTNERSHIP PROPERTY MAY BE TRANSFERRED AS FOLLOWS:

33 (1) SUBJECT TO THE EFFECT OF A STATEMENT OF PARTNERSHIP
34 AUTHORITY UNDER § 9-303 OF THIS SUBTITLE, PARTNERSHIP PROPERTY HELD IN
35 THE NAME OF THE PARTNERSHIP MAY BE TRANSFERRED BY AN INSTRUMENT OF
36 TRANSFER EXECUTED BY A PARTNER IN THE PARTNERSHIP NAME.

37 (2) PARTNERSHIP PROPERTY HELD IN THE NAME OF ONE OR MORE
38 PARTNERS WITH AN INDICATION IN THE INSTRUMENT TRANSFERRING THE
39 PROPERTY TO THEM OF THEIR CAPACITY AS PARTNERS OR OF THE EXISTENCE OF A
40 PARTNERSHIP, BUT WITHOUT AN INDICATION OF THE NAME OF THE PARTNERSHIP,

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1 MAY BE TRANSFERRED BY AN INSTRUMENT OF TRANSFER EXECUTED BY THE
2 PERSONS IN WHOSE NAME THE PROPERTY IS HELD.

3 (3) PARTNERSHIP PROPERTY HELD IN THE NAME OF ONE OR MORE
4 PERSONS OTHER THAN THE PARTNERSHIP, WITHOUT AN INDICATION IN THE
5 INSTRUMENT TRANSFERRING THE PROPERTY TO THEM OF THEIR CAPACITY AS
6 PARTNERS OR OF THE EXISTENCE OF A PARTNERSHIP, MAY BE TRANSFERRED BY
7 AN INSTRUMENT OF TRANSFER EXECUTED BY THE PERSONS IN WHOSE NAME THE
8 PROPERTY IS HELD.

9 (B) A PARTNERSHIP MAY RECOVER PARTNERSHIP PROPERTY FROM A
10 TRANSFEREE ONLY IF IT PROVES THAT EXECUTION OF THE INSTRUMENT OF
11 INITIAL TRANSFER DID NOT BIND THE PARTNERSHIP UNDER § 9-301 OF THIS
12 SUBTITLE AND:

13 (1) AS TO A SUBSEQUENT TRANSFEREE WHO GAVE VALUE FOR
14 PROPERTY TRANSFERRED UNDER SUBSECTION (A)(1) OR (2), PROVES THAT THE
15 SUBSEQUENT TRANSFEREE KNEW OR HAD RECEIVED A NOTIFICATION THAT THE
16 PERSON WHO EXECUTED THE INSTRUMENT OF INITIAL TRANSFER LACKED
17 AUTHORITY TO BIND THE PARTNERSHIP; OR

18 (2) AS TO A TRANSFEREE WHO GAVE VALUE FOR PROPERTY
19 TRANSFERRED UNDER SUBSECTION (A)(3), PROVES THAT THE TRANSFEREE KNEW
20 OR HAD RECEIVED A NOTIFICATION THAT THE PROPERTY WAS PARTNERSHIP
21 PROPERTY AND THAT THE PERSON WHO EXECUTED THE INSTRUMENT OF INITIAL
22 TRANSFER LACKED AUTHORITY TO BIND THE PARTNERSHIP.

23 (C) A PARTNERSHIP MAY NOT RECOVER PARTNERSHIP PROPERTY FROM A
24 SUBSEQUENT TRANSFEREE IF THE PARTNERSHIP WOULD NOT HAVE BEEN
25 ENTITLED TO RECOVER THE PROPERTY, UNDER SUBSECTION (B), FROM ANY
26 EARLIER TRANSFEREE OF THE PROPERTY, PROVIDED THAT THE SUBSEQUENT
27 TRANSFEREE CLAIMS BY, THROUGH OR UNDER THAT EARLIER TRANSFEREE.

28 (D) IF A PERSON HOLDS ALL OF THE PARTNERS' INTERESTS IN THE
29 PARTNERSHIP, ALL OF THE PARTNERSHIP PROPERTY VESTS IN THAT PERSON. THE
30 PERSON MAY EXECUTE A DOCUMENT IN THE NAME OF THE PARTNERSHIP TO
31 EVIDENCE VESTING OF THE PROPERTY IN THAT PERSON AND MAY FILE OR RECORD
32 THE DOCUMENT.

33 9-303. STATEMENT OF PARTNERSHIP AUTHORITY.

34 (A) A PARTNERSHIP MAY FILE A STATEMENT OF PARTNERSHIP AUTHORITY,
35 WHICH:

36 (1) MUST INCLUDE:

37 (I) THE NAME OF THE PARTNERSHIP;

38 (II) THE STREET ADDRESS OF ITS CHIEF EXECUTIVE OFFICE AND,
39 IF THERE IS ONE, OF ONE OFFICE IN THIS STATE; AND

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1 (III) THE NAMES OF THE PARTNERS AUTHORIZED TO EXECUTE AN
2 INSTRUMENT TRANSFERRING REAL PROPERTY HELD IN THE NAME OF THE
3 PARTNERSHIP; AND

4 (2) MAY STATE THE AUTHORITY, OR LIMITATIONS ON THE AUTHORITY,
5 OF SOME OR ALL OF THE PARTNERS TO ENTER INTO OTHER TRANSACTIONS ON
6 BEHALF OF THE PARTNERSHIP AND ANY OTHER MATTER.

7 (B) IF A FILED STATEMENT OF PARTNERSHIP AUTHORITY IS EXECUTED
8 PURSUANT TO § 9-105(C) OF THIS TITLE AND STATES THE NAME OF THE
9 PARTNERSHIP BUT DOES NOT CONTAIN ALL OF THE OTHER INFORMATION
10 REQUIRED BY SUBSECTION (A), THE STATEMENT NEVERTHELESS OPERATES WITH
11 RESPECT TO A PERSON NOT A PARTNER AS PROVIDED IN SUBSECTIONS (C) AND (D).

12 (C) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (F), A GRANT OF
13 AUTHORITY CONTAINED IN A FILED STATEMENT OF PARTNERSHIP AUTHORITY IS
14 CONCLUSIVE IN FAVOR OF A PERSON WHO GIVES VALUE WITHOUT KNOWLEDGE TO
15 THE CONTRARY, SO LONG AS AND TO THE EXTENT THAT A LIMITATION ON THAT
16 AUTHORITY IS NOT THEN CONTAINED IN ANOTHER FILED STATEMENT. A FILED
17 CANCELLATION OF A LIMITATION ON AUTHORITY REVIVES THE PREVIOUS GRANT
18 OF AUTHORITY.

19 (D) A PERSON NOT A PARTNER IS DEEMED TO KNOW OF A LIMITATION ON
20 THE AUTHORITY OF A PARTNER TO TRANSFER REAL PROPERTY HELD IN THE NAME
21 OF THE PARTNERSHIP IF A STATEMENT CONTAINING THE LIMITATION ON
22 AUTHORITY HAS BEEN FILED.

23 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (C) AND (D) AND §§
24 9-704 AND 9-805 OF THIS TITLE, A PERSON NOT A PARTNER IS NOT DEEMED TO KNOW
25 OF A LIMITATION ON THE AUTHORITY OF A PARTNER MERELY BECAUSE THE
26 LIMITATION IS CONTAINED IN A FILED STATEMENT.

27 (F) UNLESS EARLIER CANCELED, A FILED STATEMENT OF PARTNERSHIP
28 AUTHORITY IS CANCELED BY OPERATION OF LAW 5 YEARS AFTER THE DATE ON
29 WHICH THE STATEMENT, OR THE MOST RECENT AMENDMENT, WAS FILED WITH THE
30 DEPARTMENT.

31 9-304. STATEMENT OF DENIAL.

32 A PARTNER OR OTHER PERSON NAMED AS A PARTNER IN A FILED STATEMENT
33 OF PARTNERSHIP AUTHORITY MAY FILE A STATEMENT OF DENIAL STATING THE
34 NAME OF THE PARTNERSHIP AND THE FACT THAT IS BEING DENIED, WHICH MAY
35 INCLUDE DENIAL OF A PERSON'S AUTHORITY OR STATUS AS A PARTNER. A
36 STATEMENT OF DENIAL IS A LIMITATION ON AUTHORITY AS PROVIDED IN § 9-303(C)
37 AND (D) OF THIS SUBTITLE.

38 9-305. PARTNERSHIP LIABLE FOR PARTNER'S ACTIONABLE CONDUCT.

39 (A) A PARTNERSHIP IS LIABLE FOR LOSS OR INJURY CAUSED TO A PERSON,
40 OR FOR A PENALTY INCURRED, AS A RESULT OF A WRONGFUL ACT OR OMISSION,
41 OR OTHER ACTIONABLE CONDUCT, OF A PARTNER ACTING IN THE ORDINARY

12

1 COURSE OF BUSINESS OF THE PARTNERSHIP OR WITH AUTHORITY OF THE
2 PARTNERSHIP.

3 (B) IF, IN THE COURSE OF THE PARTNERSHIP'S BUSINESS OR WHILE ACTING
4 WITH AUTHORITY OF THE PARTNERSHIP, A PARTNER RECEIVES OR CAUSES THE
5 PARTNERSHIP TO RECEIVE MONEY OR PROPERTY OF A PERSON NOT A PARTNER,
6 AND THE MONEY OR PROPERTY IS MISAPPLIED BY A PARTNER, THE PARTNERSHIP IS
7 LIABLE FOR THE LOSS.

8 9-306. PARTNER'S LIABILITY.

9 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (B) AND (C), ALL
10 PARTNERS ARE LIABLE JOINTLY AND SEVERALLY FOR ALL OBLIGATIONS OF THE
11 PARTNERSHIP UNLESS OTHERWISE AGREED BY THE CLAIMANT OR PROVIDED BY
12 LAW.

13 (B) A PERSON ADMITTED AS A PARTNER INTO AN EXISTING PARTNERSHIP
14 SHALL HAVE THE IMMUNITY FROM LIABILITY DESCRIBED UNDER § 5-351 OF THE
15 COURTS ARTICLE.

16 (C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (F) OF THIS
17 SECTION, A PARTNER OF A LIMITED LIABILITY PARTNERSHIP IS NOT LIABLE OR
18 ACCOUNTABLE, DIRECTLY OR INDIRECTLY, INCLUDING BY WAY OF
19 INDEMNIFICATION, CONTRIBUTION, OR OTHERWISE, FOR ANY DEBTS,
20 OBLIGATIONS, OR LIABILITIES OF OR CHARGEABLE TO THE PARTNERSHIP OR
21 ANOTHER PARTNER, WHETHER ARISING IN TORT, CONTRACT, OR OTHERWISE,
22 WHICH ARE INCURRED, CREATED, OR ASSUMED BY THE PARTNERSHIP WHILE THE
23 PARTNERSHIP IS A LIMITED LIABILITY PARTNERSHIP SOLELY BY REASON OF BEING
24 A PARTNER IN THE PARTNERSHIP OR ACTING OR OMITTING TO ACT IN SUCH
25 CAPACITY OR RENDERING PROFESSIONAL SERVICES OR OTHERWISE
26 PARTICIPATING, AS AN EMPLOYEE, CONSULTANT, CONTRACTOR, OR OTHERWISE, IN
27 THE CONDUCT OF THE BUSINESS OR ACTIVITIES OF THE PARTNERSHIP.

28 (D) SUBSECTION (C) OF THIS SECTION DOES NOT AFFECT:

29 (1) THE LIABILITY OF A PARTNER OF A LIMITED LIABILITY
30 PARTNERSHIP FOR DEBTS AND OBLIGATIONS OF THE PARTNERSHIP THAT ARISE
31 FROM ANY NEGLIGENT OR WRONGFUL ACT OR OMISSION OF THE PARTNER OR OF
32 ANOTHER PARTNER, EMPLOYEE, OR AGENT OF THE PARTNERSHIP IF THE PARTNER
33 IS NEGLIGENT IN APPOINTING, DIRECTLY SUPERVISING, OR COOPERATING WITH
34 THE OTHER PARTNER, EMPLOYEE, OR AGENT;

35 (2) THE LIABILITY OF THE PARTNERSHIP FOR ALL ITS DEBTS AND
36 OBLIGATIONS OR THE AVAILABILITY OF THE ENTIRE ASSETS OF THE PARTNERSHIP
37 TO SATISFY ITS DEBTS AND OBLIGATIONS; OR

38 (3) THE LIABILITY OF A PARTNER FOR DEBTS AND OBLIGATIONS OF
39 THE PARTNERSHIP, WHETHER IN CONTRACT OR IN TORT, THAT ARISE FROM OR
40 RELATE TO A CONTRACT MADE BY THE PARTNERSHIP PRIOR TO ITS REGISTRATION
41 AS A LIMITED LIABILITY PARTNERSHIP, UNLESS THE REGISTRATION WAS
42 CONSENTED TO IN WRITING BY THE PARTY TO THE CONTRACT THAT IS SEEKING TO
43 ENFORCE THE DEBT OR OBLIGATION.

13

1 (E) NOTHING IN SUBSECTION (C) OF THIS SECTION IS INTENDED TO RESTRICT
2 OR LIMIT IN ANY MANNER THE AUTHORITY AND DUTY OF A REGULATORY BODY
3 THAT LICENSES PROFESSIONALS WITHIN THIS STATE TO LICENSE PERSONS WHO
4 RENDER PROFESSIONAL SERVICES OR TO REGULATE THE PRACTICE OF ANY
5 PROFESSION THAT IS WITHIN THE JURISDICTION OF THE REGULATORY BODY,
6 NOTWITHSTANDING THAT THE PERSON IS A PARTNER, EMPLOYEE, OR AGENT OF A
7 LIMITED LIABILITY PARTNERSHIP AND IS RENDERING THE PROFESSIONAL
8 SERVICES OR ENGAGING IN THE PRACTICE OF THE PROFESSION THROUGH THE
9 LIMITED LIABILITY PARTNERSHIP.

10 (F) IF A PARTNER OF A LIMITED LIABILITY PARTNERSHIP HAS RECEIVED A
11 DISTRIBUTION IN VIOLATION OF THE PARTNERSHIP AGREEMENT OR § 9-1006 OF
12 THIS TITLE, THE PARTNER WHO RECEIVED THE DISTRIBUTION AND ANY OTHER
13 PARTNER WHO DIRECTLY APPROVED OR AUTHORIZED THE DISTRIBUTION ARE
14 JOINTLY AND SEVERALLY LIABLE TO THE LIMITED LIABILITY PARTNERSHIP FOR
15 THE AMOUNT WRONGFULLY DISTRIBUTED.

16 9-307. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.

17 (A) A PARTNERSHIP MAY SUE AND BE SUED IN THE NAME OF THE
18 PARTNERSHIP.

19 (B) AN ACTION MAY BE BROUGHT AGAINST THE PARTNERSHIP AND, EXCEPT
20 AS PROVIDED IN SUBSECTION (F), ANY OR ALL OF THE PARTNERS IN THE SAME
21 ACTION OR IN SEPARATE ACTIONS.

22 (C) A JUDGMENT AGAINST A PARTNERSHIP IS NOT BY ITSELF A JUDGMENT
23 AGAINST A PARTNER. A JUDGMENT AGAINST A PARTNERSHIP MAY NOT BE
24 SATISFIED FROM A PARTNER'S ASSETS UNLESS THERE IS ALSO A JUDGMENT
25 AGAINST THE PARTNER.

26 (D) A JUDGMENT CREDITOR OF A PARTNER MAY NOT LEVY EXECUTION
27 AGAINST THE ASSETS OF THE PARTNER TO SATISFY A JUDGMENT BASED ON A
28 CLAIM AGAINST THE PARTNERSHIP UNLESS:

29 (1) A JUDGMENT BASED ON THE SAME CLAIM HAS BEEN OBTAINED
30 AGAINST THE PARTNERSHIP AND A WRIT OF EXECUTION ON THE JUDGMENT HAS
31 BEEN RETURNED UNSATISFIED IN WHOLE OR IN PART;

32 (2) THE PARTNERSHIP IS A DEBTOR IN BANKRUPTCY;

33 (3) THE PARTNER HAS AGREED THAT THE CREDITOR NEED NOT
34 EXHAUST PARTNERSHIP ASSETS;

35 (4) A COURT GRANTS PERMISSION TO THE JUDGMENT CREDITOR TO
36 LEVY EXECUTION AGAINST THE ASSETS OF A PARTNER BASED ON A FINDING THAT
37 PARTNERSHIP ASSETS SUBJECT TO EXECUTION ARE CLEARLY INSUFFICIENT TO
38 SATISFY THE JUDGMENT, THAT EXHAUSTION OF PARTNERSHIP ASSETS IS
39 EXCESSIVELY BURDENSOME, OR THAT THE GRANT OF PERMISSION IS AN
40 APPROPRIATE EXERCISE OF THE COURT'S EQUITABLE POWERS; OR

14

1 (5) LIABILITY IS IMPOSED ON THE PARTNER BY LAW OR CONTRACT
2 INDEPENDENT OF THE EXISTENCE OF THE PARTNERSHIP.

3 (E) THIS SECTION APPLIES TO ANY PARTNERSHIP LIABILITY OR OBLIGATION
4 RESULTING FROM A REPRESENTATION BY A PARTNER OR PURPORTED PARTNER
5 UNDER § 9-308 OF THIS TITLE.

6 (F) A PARTNER OF A LIMITED LIABILITY PARTNERSHIP IS NOT A PROPER
7 PARTY TO A PROCEEDING BY OR AGAINST A LIMITED LIABILITY PARTNERSHIP
8 SOLELY BY REASON OF BEING A PARTNER OF THE LIMITED LIABILITY
9 PARTNERSHIP, EXCEPT WHERE THE OBJECT OF THE PROCEEDING IS:

10 (1) TO ENFORCE A PARTNER'S RIGHT AGAINST OR LIABILITY TO THE
11 LIMITED LIABILITY PARTNERSHIP; OR

12 (2) TO RECOVER DAMAGES, OR ENFORCE PARTNERSHIP OBLIGATIONS,
13 FOR WHICH THE PARTNER IS PERSONALLY LIABLE UNDER § 9-306 OF THIS SUBTITLE.

14 9-308. LIABILITY OF PURPORTED PARTNER.

15 (A) IF A PERSON, BY WORDS OR CONDUCT, PURPORTS TO BE A PARTNER, OR
16 CONSENTS TO BEING REPRESENTED BY ANOTHER AS A PARTNER, IN A
17 PARTNERSHIP OR WITH ONE OR MORE PERSONS NOT PARTNERS, THE PURPORTED
18 PARTNER IS LIABLE TO A PERSON TO WHOM THE REPRESENTATION IS MADE, IF
19 THAT PERSON, RELYING ON THE REPRESENTATION, ENTERS INTO A TRANSACTION
20 WITH THE ACTUAL OR PURPORTED PARTNERSHIP. IF THE REPRESENTATION,
21 EITHER BY THE PURPORTED PARTNER OR BY A PERSON WITH THE PURPORTED
22 PARTNER'S CONSENT, IS MADE IN A PUBLIC MANNER, THE PURPORTED PARTNER IS
23 LIABLE TO A PERSON WHO RELIES UPON THE PURPORTED PARTNERSHIP EVEN IF
24 THE PURPORTED PARTNER IS NOT AWARE OF BEING HELD OUT AS A PARTNER TO
25 THE CLAIMANT. IF PARTNERSHIP LIABILITY RESULTS, THE PURPORTED PARTNER IS
26 LIABLE WITH RESPECT TO THAT LIABILITY AS IF THE PURPORTED PARTNER WERE A
27 PARTNER. IF NO PARTNERSHIP LIABILITY RESULTS, THE PURPORTED PARTNER IS
28 LIABLE WITH RESPECT TO THAT LIABILITY JOINTLY AND SEVERALLY WITH ANY
29 OTHER PERSON CONSENTING TO THE REPRESENTATION.

30 (B) IF A PERSON IS THUS REPRESENTED TO BE A PARTNER IN AN EXISTING
31 PARTNERSHIP, OR WITH ONE OR MORE PERSONS NOT PARTNERS, THE PURPORTED
32 PARTNER IS AN AGENT OF PERSONS CONSENTING TO THE REPRESENTATION TO
33 BIND THEM TO THE SAME EXTENT AND IN THE SAME MANNER AS IF THE
34 PURPORTED PARTNER WERE A PARTNER, WITH RESPECT TO PERSONS WHO ENTER
35 INTO TRANSACTIONS IN RELIANCE UPON THE REPRESENTATION. IF ALL OF THE
36 PARTNERS OF THE EXISTING PARTNERSHIP CONSENT TO THE REPRESENTATION, A
37 PARTNERSHIP ACT OR OBLIGATION RESULTS. IF FEWER THAN ALL OF THE
38 PARTNERS OF THE EXISTING PARTNERSHIP CONSENT TO THE REPRESENTATION,
39 THE PERSON ACTING AND THE PARTNERS CONSENTING TO THE REPRESENTATION
40 ARE JOINTLY AND SEVERALLY LIABLE.

41 (C) A PERSON IS NOT LIABLE AS A PARTNER MERELY BECAUSE THE PERSON
42 IS NAMED BY ANOTHER IN A STATEMENT OF PARTNERSHIP AUTHORITY OR DOES
43 NOT FILE A STATEMENT OF AUTHORITY.

15

1 (D) A PERSON DOES NOT CONTINUE TO BE LIABLE AS A PARTNER MERELY
2 BECAUSE OF A FAILURE TO FILE A STATEMENT OF DISSOCIATION OR TO AMEND A
3 STATEMENT OF PARTNERSHIP AUTHORITY TO INDICATE THE PARTNER'S
4 DISSOCIATION FROM THE PARTNERSHIP.

5 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (A) AND (B), PERSONS
6 WHO ARE NOT PARTNERS AS TO EACH OTHER ARE NOT LIABLE AS PARTNERS TO
7 OTHER PERSONS.

8 SUBTITLE 4. RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP.

9 9-401. PARTNER'S RIGHTS AND DUTIES.

10 (A) EACH PARTNER IS DEEMED TO HAVE AN ACCOUNT THAT IS:

11 (1) CREDITED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE
12 VALUE OF ANY OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES, THE
13 PARTNER CONTRIBUTES TO THE PARTNERSHIP AND THE PARTNER'S SHARE OF THE
14 PARTNERSHIP PROFITS; AND

15 (2) CHARGED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE
16 VALUE OF ANY OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES,
17 DISTRIBUTED BY THE PARTNERSHIP TO THE PARTNER AND THE PARTNER'S SHARE
18 OF THE PARTNERSHIP LOSSES.

19 (B) EACH PARTNER IS ENTITLED TO AN EQUAL SHARE OF THE PARTNERSHIP
20 PROFITS AND IS CHARGEABLE WITH A SHARE OF THE PARTNERSHIP LOSSES IN
21 PROPORTION TO THE PARTNER'S SHARE OF THE PROFITS.

22 (C) A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR PAYMENTS MADE
23 AND INDEMNIFY A PARTNER FOR LIABILITIES INCURRED BY THE PARTNER IN THE
24 ORDINARY COURSE OF THE BUSINESS OF THE PARTNERSHIP OR FOR THE
25 PRESERVATION OF ITS BUSINESS OR PROPERTY.

26 (D) A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR AN ADVANCE TO
27 THE PARTNERSHIP BEYOND THE AMOUNT OF CAPITAL THE PARTNER AGREED TO
28 CONTRIBUTE.

29 (E) A PAYMENT OR ADVANCE MADE BY A PARTNER WHICH GIVES RISE TO A
30 PARTNERSHIP OBLIGATION UNDER SUBSECTION (C) OR (D) CONSTITUTES A LOAN
31 TO THE PARTNERSHIP WHICH ACCRUES INTEREST FROM THE DATE OF THE
32 PAYMENT OR ADVANCE.

33 (F) EACH PARTNER HAS EQUAL RIGHTS IN THE MANAGEMENT AND
34 CONDUCT OF THE PARTNERSHIP BUSINESS.

35 (G) A PARTNER MAY USE OR POSSESS PARTNERSHIP PROPERTY ONLY ON
36 BEHALF OF THE PARTNERSHIP.

37 (H) A PARTNER IS NOT ENTITLED TO REMUNERATION FOR SERVICES
38 PERFORMED FOR THE PARTNERSHIP, EXCEPT FOR REASONABLE COMPENSATION
39 FOR SERVICES RENDERED IN WINDING UP THE BUSINESS OF THE PARTNERSHIP.

16

1 (I) A PERSON MAY BECOME A PARTNER ONLY WITH THE CONSENT OF ALL
2 OF THE PARTNERS.

3 (J) A DIFFERENCE ARISING AS TO A MATTER IN THE ORDINARY COURSE OF
4 BUSINESS OF A PARTNERSHIP MAY BE DECIDED BY A MAJORITY OF THE PARTNERS.
5 AN ACT OUTSIDE THE ORDINARY COURSE OF BUSINESS OF A PARTNERSHIP AND AN
6 AMENDMENT TO THE PARTNERSHIP AGREEMENT MAY BE UNDERTAKEN ONLY
7 WITH THE CONSENT OF ALL OF THE PARTNERS.

8 (K) THIS SECTION DOES NOT AFFECT THE OBLIGATIONS OF A PARTNERSHIP
9 TO OTHER PERSONS UNDER § 9-301 OF THIS TITLE.

10 9-402. DISTRIBUTIONS IN KIND.

11 A PARTNER HAS NO RIGHT TO RECEIVE, AND MAY NOT BE REQUIRED TO
12 ACCEPT, A DISTRIBUTION IN KIND.

13 9-403. PARTNER'S RIGHTS AND DUTIES WITH RESPECT TO INFORMATION.

14 (A) A PARTNERSHIP SHALL KEEP ITS BOOKS AND RECORDS, IF ANY, AT ITS
15 CHIEF EXECUTIVE OFFICE.

16 (B) A PARTNERSHIP SHALL PROVIDE PARTNERS AND THEIR AGENTS AND
17 ATTORNEYS ACCESS TO ITS BOOKS AND RECORDS. IT SHALL PROVIDE FORMER
18 PARTNERS AND THEIR AGENTS AND ATTORNEYS ACCESS TO BOOKS AND RECORDS
19 PERTAINING TO THE PERIOD DURING WHICH THEY WERE PARTNERS. THE RIGHT OF
20 ACCESS PROVIDES THE OPPORTUNITY TO INSPECT AND COPY BOOKS AND RECORDS
21 DURING ORDINARY BUSINESS HOURS. A PARTNERSHIP MAY IMPOSE A REASONABLE
22 CHARGE, COVERING THE COSTS OF LABOR AND MATERIAL, FOR COPIES OF
23 DOCUMENTS FURNISHED.

24 (C) EACH PARTNER AND THE PARTNERSHIP SHALL FURNISH TO A PARTNER,
25 AND TO THE LEGAL REPRESENTATIVE OF A DECEASED PARTNER OR PARTNER
26 UNDER LEGAL DISABILITY:

27 (1) WITHOUT DEMAND, ANY INFORMATION CONCERNING THE
28 PARTNERSHIP'S BUSINESS AND AFFAIRS REASONABLY REQUIRED FOR THE PROPER
29 EXERCISE OF THE PARTNER'S RIGHTS AND DUTIES UNDER THE PARTNERSHIP
30 AGREEMENT OR THIS TITLE; AND

31 (2) ON DEMAND, ANY OTHER INFORMATION CONCERNING THE
32 PARTNERSHIP'S BUSINESS AND AFFAIRS, EXCEPT TO THE EXTENT THE DEMAND OR
33 THE INFORMATION DEMANDED IS UNREASONABLE OR OTHERWISE IMPROPER
34 UNDER THE CIRCUMSTANCES.

35 9-404. GENERAL STANDARDS OF PARTNER'S CONDUCT.

36 (A) THE ONLY FIDUCIARY DUTIES A PARTNER OWES TO THE PARTNERSHIP
37 AND THE OTHER PARTNERS ARE THE DUTY OF LOYALTY AND THE DUTY OF CARE
38 SET FORTH IN SUBSECTIONS (B) AND (C).

39 (B) A PARTNER'S DUTY OF LOYALTY TO THE PARTNERSHIP AND THE OTHER
40 PARTNERS IS LIMITED TO THE FOLLOWING:

17

1 (1) TO ACCOUNT TO THE PARTNERSHIP AND HOLD AS TRUSTEE FOR IT
2 ANY PROPERTY, PROFIT, OR BENEFIT DERIVED BY THE PARTNER IN THE CONDUCT
3 AND WINDING UP OF THE PARTNERSHIP BUSINESS OR DERIVED FROM A USE BY THE
4 PARTNER OF PARTNERSHIP PROPERTY, INCLUDING THE APPROPRIATION OF A
5 PARTNERSHIP OPPORTUNITY;

6 (2) TO REFRAIN FROM DEALING WITH THE PARTNERSHIP IN THE
7 CONDUCT OR WINDING UP OF THE PARTNERSHIP BUSINESS AS OR ON BEHALF OF A
8 PARTY HAVING AN INTEREST ADVERSE TO THE PARTNERSHIP; AND

9 (3) TO REFRAIN FROM COMPETING WITH THE PARTNERSHIP IN THE
10 CONDUCT OF THE PARTNERSHIP BUSINESS BEFORE THE DISSOLUTION OF THE
11 PARTNERSHIP.

12 (C) A PARTNER'S DUTY OF CARE TO THE PARTNERSHIP AND THE OTHER
13 PARTNERS IN THE CONDUCT AND WINDING UP OF THE PARTNERSHIP BUSINESS IS
14 LIMITED TO REFRAINING FROM ENGAGING IN GROSSLY NEGLIGENT OR RECKLESS
15 CONDUCT, INTENTIONAL MISCONDUCT, OR A KNOWING VIOLATION OF LAW.

16 (D) A PARTNER SHALL DISCHARGE THE DUTIES TO THE PARTNERSHIP AND
17 THE OTHER PARTNERS UNDER THIS TITLE OR UNDER THE PARTNERSHIP
18 AGREEMENT AND EXERCISE ANY RIGHTS CONSISTENTLY WITH THE OBLIGATION OF
19 GOOD FAITH AND FAIR DEALING.

20 (E) A PARTNER DOES NOT VIOLATE A DUTY OR OBLIGATION UNDER THIS
21 TITLE OR UNDER THE PARTNERSHIP AGREEMENT MERELY BECAUSE THE
22 PARTNER'S CONDUCT FURTHERS THE PARTNER'S OWN INTEREST.

23 (F) A PARTNER MAY LEND MONEY TO AND TRANSACT OTHER BUSINESS
24 WITH THE PARTNERSHIP, AND AS TO EACH LOAN OR TRANSACTION THE RIGHTS
25 AND OBLIGATIONS OF THE PARTNER ARE THE SAME AS THOSE OF A PERSON WHO IS
26 NOT A PARTNER, SUBJECT TO OTHER APPLICABLE LAW.

27 (G) THIS SECTION APPLIES TO A PERSON WINDING UP THE PARTNERSHIP
28 BUSINESS AS THE PERSONAL OR LEGAL REPRESENTATIVE OF THE LAST SURVIVING
29 PARTNER AS IF THE PERSON WERE A PARTNER.

30 9-405. ACTIONS BY PARTNERSHIP AND PARTNERS.

31 (A) A PARTNERSHIP MAY MAINTAIN AN ACTION AGAINST A PARTNER FOR A
32 BREACH OF THE PARTNERSHIP AGREEMENT, OR FOR THE VIOLATION OF A DUTY TO
33 THE PARTNERSHIP, CAUSING HARM TO THE PARTNERSHIP.

34 (B) A PARTNER MAY MAINTAIN AN ACTION AGAINST THE PARTNERSHIP OR
35 ANOTHER PARTNER FOR LEGAL OR EQUITABLE RELIEF, WITH OR WITHOUT AN
36 ACCOUNTING AS TO PARTNERSHIP BUSINESS, TO:

37 (1) ENFORCE THE PARTNER'S RIGHTS UNDER THE PARTNERSHIP
38 AGREEMENT;

39 (2) ENFORCE THE PARTNER'S RIGHTS UNDER THIS TITLE, INCLUDING:

18

1 (I) THE PARTNER'S RIGHTS UNDER § 9-401, § 9-403, OR § 9-404 OF
2 THIS SUBTITLE;

3 (II) THE PARTNER'S RIGHT ON DISSOCIATION TO HAVE THE
4 PARTNER'S INTEREST IN THE PARTNERSHIP PURCHASED PURSUANT TO § 9-701 OF
5 THIS TITLE OR ENFORCE ANY OTHER RIGHT UNDER SUBTITLE 6 OR SUBTITLE 7 OF
6 THIS TITLE; OR

7 (III) THE PARTNER'S RIGHT TO COMPEL A DISSOLUTION AND
8 WINDING UP OF THE PARTNERSHIP BUSINESS UNDER § 9-801 OF THIS TITLE OR
9 ENFORCE ANY OTHER RIGHT UNDER SUBTITLE 8 OF THIS TITLE; OR

10 (3) ENFORCE THE RIGHTS AND OTHERWISE PROTECT THE INTERESTS
11 OF THE PARTNER, INCLUDING RIGHTS AND INTERESTS ARISING INDEPENDENTLY
12 OF THE PARTNERSHIP RELATIONSHIP.

13 (C) THE ACCRUAL OF, AND ANY TIME LIMITATION ON, A RIGHT OF ACTION
14 FOR A REMEDY UNDER THIS SECTION IS GOVERNED BY OTHER LAW. A RIGHT TO AN
15 ACCOUNTING UPON A DISSOLUTION AND WINDING UP DOES NOT REVIVE A CLAIM
16 BARRED BY LAW.

17 9-406. CONTINUATION OF PARTNERSHIP BEYOND DEFINITE TERM OR PARTICULAR
18 UNDERTAKING.

19 (A) IF A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR
20 UNDERTAKING IS CONTINUED, WITHOUT AN EXPRESS AGREEMENT, AFTER THE
21 EXPIRATION OF THE TERM OR COMPLETION OF THE UNDERTAKING, THE RIGHTS
22 AND DUTIES OF THE PARTNERS REMAIN THE SAME AS THEY WERE AT THE
23 EXPIRATION OR COMPLETION, SO FAR AS IS CONSISTENT WITH A PARTNERSHIP AT
24 WILL.

25 (B) IF THE PARTNERS, OR THOSE OF THEM WHO HABITUALLY ACTED IN THE
26 BUSINESS DURING THE TERM OR UNDERTAKING, CONTINUE THE BUSINESS
27 WITHOUT ANY SETTLEMENT OR LIQUIDATION OF THE PARTNERSHIP, THEY ARE
28 PRESUMED TO HAVE AGREED THAT THE PARTNERSHIP WILL CONTINUE.

29 SUBTITLE 5. TRANSFEREES AND CREDITORS OF PARTNER.

30 9-501. PARTNER NOT CO-OWNER OF PARTNERSHIP PROPERTY.

31 A PARTNER IS NOT A CO-OWNER OF PARTNERSHIP PROPERTY AND HAS NO
32 INTEREST IN PARTNERSHIP PROPERTY WHICH CAN BE TRANSFERRED, EITHER
33 VOLUNTARILY OR INVOLUNTARILY.

34 9-502. PARTNER'S TRANSFERABLE INTEREST IN PARTNERSHIP.

35 THE ONLY TRANSFERABLE INTEREST OF A PARTNER IN THE PARTNERSHIP IS
36 THE PARTNER'S SHARE OF THE PROFITS AND LOSSES OF THE PARTNERSHIP AND
37 THE PARTNER'S RIGHT TO RECEIVE DISTRIBUTIONS. THE TRANSFERABLE INTEREST
38 IS PERSONAL PROPERTY.

19

1 9-503. TRANSFER OF PARTNER'S TRANSFERABLE INTEREST.

2 (A) A TRANSFER, IN WHOLE OR IN PART, OF A PARTNER'S TRANSFERABLE
3 INTEREST IN THE PARTNERSHIP:

4 (1) IS PERMISSIBLE;

5 (2) DOES NOT BY ITSELF CAUSE THE PARTNER'S DISSOCIATION OR A
6 DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS; AND

7 (3) DOES NOT, AS AGAINST THE OTHER PARTNERS OR THE
8 PARTNERSHIP, ENTITLE THE TRANSFEREE, DURING THE CONTINUANCE OF THE
9 PARTNERSHIP, TO PARTICIPATE IN THE MANAGEMENT OR CONDUCT OF THE
10 PARTNERSHIP BUSINESS, TO REQUIRE ACCESS TO INFORMATION CONCERNING
11 PARTNERSHIP TRANSACTIONS, OR TO INSPECT OR COPY THE PARTNERSHIP BOOKS
12 OR RECORDS.

13 (B) A TRANSFEREE OF A PARTNER'S TRANSFERABLE INTEREST IN THE
14 PARTNERSHIP HAS A RIGHT:

15 (1) TO RECEIVE, IN ACCORDANCE WITH THE TRANSFER,
16 DISTRIBUTIONS TO WHICH THE TRANSFEROR WOULD OTHERWISE BE ENTITLED;

17 (2) TO RECEIVE UPON THE DISSOLUTION AND WINDING UP OF THE
18 PARTNERSHIP BUSINESS, IN ACCORDANCE WITH THE TRANSFER, THE NET AMOUNT
19 OTHERWISE DISTRIBUTABLE TO THE TRANSFEROR; AND

20 (3) TO SEEK UNDER § 9-801(6) OF THIS TITLE A JUDICIAL
21 DETERMINATION THAT IT IS EQUITABLE TO WIND UP THE PARTNERSHIP BUSINESS.

22 (C) IN A DISSOLUTION AND WINDING UP, A TRANSFEREE IS ENTITLED TO AN
23 ACCOUNT OF PARTNERSHIP TRANSACTIONS ONLY FROM THE DATE OF THE LATEST
24 ACCOUNT AGREED TO BY ALL OF THE PARTNERS.

25 (D) UPON TRANSFER, THE TRANSFEROR RETAINS THE RIGHTS AND DUTIES
26 OF A PARTNER OTHER THAN THE INTEREST IN DISTRIBUTIONS TRANSFERRED.

27 (E) A PARTNERSHIP NEED NOT GIVE EFFECT TO A TRANSFEREE'S RIGHTS
28 UNDER THIS SECTION UNTIL IT HAS NOTICE OF THE TRANSFER.

29 (F) A TRANSFER OF A PARTNER'S TRANSFERABLE INTEREST IN THE
30 PARTNERSHIP IN VIOLATION OF A RESTRICTION ON TRANSFER CONTAINED IN THE
31 PARTNERSHIP AGREEMENT IS INEFFECTIVE AS TO A PERSON HAVING NOTICE OF
32 THE RESTRICTION AT THE TIME OF TRANSFER.

33 9-504. PARTNER'S TRANSFERABLE INTEREST SUBJECT TO CHARGING ORDER.

34 (A) ON APPLICATION BY A JUDGMENT CREDITOR OF A PARTNER OR OF A
35 PARTNER'S TRANSFEREE, A COURT HAVING JURISDICTION MAY CHARGE THE
36 TRANSFERABLE INTEREST OF THE JUDGMENT DEBTOR TO SATISFY THE JUDGMENT.
37 THE COURT MAY APPOINT A RECEIVER OF THE SHARE OF THE DISTRIBUTIONS DUE
38 OR TO BECOME DUE TO THE JUDGMENT DEBTOR IN RESPECT OF THE PARTNERSHIP
39 AND MAKE ALL OTHER ORDERS, DIRECTIONS, ACCOUNTS, AND INQUIRIES THE

20

1 JUDGMENT DEBTOR MIGHT HAVE MADE OR WHICH THE CIRCUMSTANCES OF THE
2 CASE MAY REQUIRE.

3 (B) A CHARGING ORDER CONSTITUTES A LIEN ON THE JUDGMENT DEBTOR'S
4 TRANSFERABLE INTEREST IN THE PARTNERSHIP. THE COURT MAY ORDER A
5 FORECLOSURE OF THE INTEREST SUBJECT TO THE CHARGING ORDER AT ANY TIME.
6 THE PURCHASER AT THE FORECLOSURE SALE HAS THE RIGHTS OF A TRANSFEREE.

7 (C) AT ANY TIME BEFORE FORECLOSURE, AN INTEREST CHARGED MAY BE
8 REDEEMED:

9 (1) BY THE JUDGMENT DEBTOR;

10 (2) WITH PROPERTY OTHER THAN PARTNERSHIP PROPERTY, BY ONE
11 OR MORE OF THE OTHER PARTNERS; OR

12 (3) WITH PARTNERSHIP PROPERTY, BY ONE OR MORE OF THE OTHER
13 PARTNERS WITH THE CONSENT OF ALL OF THE PARTNERS WHOSE INTERESTS ARE
14 NOT SO CHARGED.

15 (D) THIS TITLE DOES NOT DEPRIVE A PARTNER OF A RIGHT UNDER
16 EXEMPTION LAWS WITH RESPECT TO THE PARTNER'S INTEREST IN THE
17 PARTNERSHIP.

18 (E) THIS SECTION PROVIDES THE EXCLUSIVE REMEDY BY WHICH A
19 JUDGMENT CREDITOR OF A PARTNER OR PARTNER'S TRANSFEREE MAY SATISFY A
20 JUDGMENT OUT OF THE JUDGMENT DEBTOR'S TRANSFERABLE INTEREST IN THE
21 PARTNERSHIP.

22 SUBTITLE 6. PARTNER'S DISSOCIATION.

23 9-601. EVENTS CAUSING PARTNER'S DISSOCIATION.

24 A PARTNER IS DISSOCIATED FROM A PARTNERSHIP UPON THE OCCURRENCE
25 OF ANY OF THE FOLLOWING EVENTS:

26 (1) THE PARTNERSHIP'S HAVING NOTICE OF THE PARTNER'S EXPRESS
27 WILL TO WITHDRAW AS A PARTNER OR ON A LATER DATE SPECIFIED BY THE
28 PARTNER;

29 (2) AN EVENT AGREED TO IN THE PARTNERSHIP AGREEMENT AS
30 CAUSING THE PARTNER'S DISSOCIATION;

31 (3) THE PARTNER'S EXPULSION PURSUANT TO THE PARTNERSHIP
32 AGREEMENT;

33 (4) THE PARTNER'S EXPULSION BY THE UNANIMOUS VOTE OF THE
34 OTHER PARTNERS IF:

35 (I) IT IS UNLAWFUL TO CARRY ON THE PARTNERSHIP BUSINESS
36 WITH THAT PARTNER;

37 (II) THERE HAS BEEN A TRANSFER OF ALL OR SUBSTANTIALLY
38 ALL OF THAT PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP, OTHER

21

1 THAN A TRANSFER FOR SECURITY PURPOSES, OR A COURT ORDER CHARGING THE
2 PARTNER'S INTEREST, WHICH HAS NOT BEEN FORECLOSED;

3 (III) WITHIN 90 DAYS AFTER THE PARTNERSHIP NOTIFIES A
4 CORPORATE PARTNER THAT IT WILL BE EXPELLED BECAUSE IT HAS FILED
5 ARTICLES OF DISSOLUTION OR THE EQUIVALENT, ITS CHARTER HAS BEEN
6 REVOKED, OR ITS RIGHT TO CONDUCT BUSINESS HAS BEEN SUSPENDED BY THE
7 JURISDICTION OF ITS INCORPORATION, THERE IS NO REVOCATION OF THE
8 ARTICLES OF DISSOLUTION OR NO REINSTATEMENT OF ITS CHARTER OR ITS RIGHT
9 TO CONDUCT BUSINESS; OR

10 (IV) A PARTNERSHIP THAT IS A PARTNER HAS BEEN DISSOLVED
11 AND ITS BUSINESS IS BEING WOUND UP;

12 (5) ON APPLICATION BY THE PARTNERSHIP OR ANOTHER PARTNER,
13 THE PARTNER'S EXPULSION BY JUDICIAL DETERMINATION BECAUSE:

14 (I) THE PARTNER ENGAGED IN WRONGFUL CONDUCT THAT
15 ADVERSELY AND MATERIALLY AFFECTED THE PARTNERSHIP BUSINESS;

16 (II) THE PARTNER WILLFULLY OR PERSISTENTLY COMMITTED A
17 MATERIAL BREACH OF THE PARTNERSHIP AGREEMENT OR OF A DUTY OWED TO
18 THE PARTNERSHIP OR THE OTHER PARTNERS UNDER § 9-404 OF THIS TITLE; OR

19 (III) THE PARTNER ENGAGED IN CONDUCT RELATING TO THE
20 PARTNERSHIP BUSINESS WHICH MAKES IT NOT REASONABLY PRACTICABLE TO
21 CARRY ON THE BUSINESS IN PARTNERSHIP WITH THE PARTNER;

22 (6) THE PARTNER'S:

23 (I) BECOMING A DEBTOR IN BANKRUPTCY;

24 (II) EXECUTING AN ASSIGNMENT FOR THE BENEFIT OF
25 CREDITORS;

26 (III) SEEKING, CONSENTING TO, OR ACQUIESCING IN THE
27 APPOINTMENT OF A TRUSTEE, RECEIVER, OR LIQUIDATOR OF THAT PARTNER OR
28 OF ALL OR SUBSTANTIALLY ALL OF THAT PARTNER'S PROPERTY; OR

29 (IV) FAILING, WITHIN 90 DAYS AFTER THE APPOINTMENT, TO HAVE
30 VACATED OR STAYED THE APPOINTMENT OF A TRUSTEE, RECEIVER, OR
31 LIQUIDATOR OF THE PARTNER OR OF ALL OR SUBSTANTIALLY ALL OF THE
32 PARTNER'S PROPERTY OBTAINED WITHOUT THE PARTNER'S CONSENT OR
33 ACQUIESCENCE, OR FAILING WITHIN 90 DAYS AFTER THE EXPIRATION OF A STAY TO
34 HAVE THE APPOINTMENT VACATED;

35 (7) IN THE CASE OF A PARTNER WHO IS AN INDIVIDUAL:

36 (I) THE PARTNER'S DEATH;

37 (II) THE APPOINTMENT OF A GUARDIAN OR GENERAL
38 CONSERVATOR FOR THE PARTNER; OR

1 (III) A JUDICIAL DETERMINATION THAT THE PARTNER HAS
2 OTHERWISE BECOME INCAPABLE OF PERFORMING THE PARTNER'S DUTIES UNDER
3 THE PARTNERSHIP AGREEMENT;

4 (8) IN THE CASE OF A PARTNER THAT IS A TRUST OR IS ACTING AS A
5 PARTNER BY VIRTUE OF BEING A TRUSTEE OF A TRUST, DISTRIBUTION OF THE
6 TRUST'S ENTIRE TRANSFERABLE INTEREST IN THE PARTNERSHIP, BUT NOT MERELY
7 BY REASON OF THE SUBSTITUTION OF A SUCCESSOR TRUSTEE;

8 (9) IN THE CASE OF A PARTNER THAT IS AN ESTATE OR IS ACTING AS A
9 PARTNER BY VIRTUE OF BEING A PERSONAL REPRESENTATIVE OF AN ESTATE,
10 DISTRIBUTION OF THE ESTATE'S ENTIRE TRANSFERABLE INTEREST IN THE
11 PARTNERSHIP, BUT NOT MERELY BY REASON OF THE SUBSTITUTION OF A
12 SUCCESSOR PERSONAL REPRESENTATIVE; OR

13 (10) TERMINATION OF A PARTNER WHO IS NOT AN INDIVIDUAL,
14 PARTNERSHIP, CORPORATION, TRUST, OR ESTATE.

15 9-602. PARTNER'S POWER TO DISSOCIATE; WRONGFUL DISSOCIATION.

16 (A) A PARTNER HAS THE POWER TO DISSOCIATE AT ANY TIME, RIGHTFULLY
17 OR WRONGFULLY, BY EXPRESS WILL PURSUANT TO § 9-601(1) OF THIS SUBTITLE.

18 (B) A PARTNER'S DISSOCIATION IS WRONGFUL ONLY IF:

19 (1) IT IS IN BREACH OF AN EXPRESS PROVISION OF THE PARTNERSHIP
20 AGREEMENT; OR

21 (2) IN THE CASE OF A PARTNERSHIP FOR A DEFINITE TERM OR
22 PARTICULAR UNDERTAKING, BEFORE THE EXPIRATION OF THE TERM OR THE
23 COMPLETION OF THE UNDERTAKING:

24 (I) THE PARTNER WITHDRAWS BY EXPRESS WILL, UNLESS THE
25 WITHDRAWAL FOLLOWS WITHIN 90 DAYS AFTER ANOTHER PARTNER'S
26 DISSOCIATION UNDER § 9-601(6) THROUGH (10) OF THIS SUBTITLE OR WRONGFUL
27 DISSOCIATION UNDER THIS SUBSECTION;

28 (II) THE PARTNER IS EXPELLED BY JUDICIAL DETERMINATION
29 UNDER § 9-601(5) OF THIS SUBTITLE;

30 (III) THE PARTNER IS DISSOCIATED BY REASON OF AN EVENT
31 UNDER § 9-601(B) OF THIS SUBTITLE; OR

32 (IV) IN THE CASE OF A PARTNER WHO IS NOT AN INDIVIDUAL,
33 TRUST OTHER THAN A BUSINESS TRUST, OR ESTATE, THE PARTNER IS EXPELLED OR
34 OTHERWISE DISSOCIATED BECAUSE IT WILLFULLY DISSOLVED OR TERMINATED.

35 (C) A PARTNER WHO WRONGFULLY DISSOCIATES IS LIABLE TO THE
36 PARTNERSHIP AND TO THE OTHER PARTNERS FOR DAMAGES CAUSED BY THE
37 DISSOCIATION. THE LIABILITY IS IN ADDITION TO ANY OTHER OBLIGATION OF THE
38 PARTNER TO THE PARTNERSHIP OR TO THE OTHER PARTNERS.

1 9-603. EFFECT OF PARTNER'S DISSOCIATION.

2 (A) IF A PARTNER'S DISSOCIATION RESULTS IN A DISSOLUTION AND WINDING
3 UP OF THE PARTNERSHIP BUSINESS, SUBTITLE 8 APPLIES; OTHERWISE, SUBTITLE 7
4 APPLIES.

5 (B) UPON A PARTNER'S DISSOCIATION:

6 (1) THE PARTNER'S RIGHT TO PARTICIPATE IN THE MANAGEMENT AND
7 CONDUCT OF THE PARTNERSHIP BUSINESS TERMINATES, EXCEPT AS OTHERWISE
8 PROVIDED IN § 9-803 OF THIS TITLE;

9 (2) THE PARTNER'S DUTY OF LOYALTY UNDER § 9-404(B)(3) OF THIS
10 TITLE TERMINATES; AND

11 (3) THE PARTNER'S DUTY OF LOYALTY UNDER § 9-404(B)(1) AND (2) OF
12 THIS TITLE AND DUTY OF CARE UNDER § 9-404(C) OF THIS TITLE CONTINUE ONLY
13 WITH REGARD TO MATTERS ARISING AND EVENTS OCCURRING BEFORE THE
14 PARTNER'S DISSOCIATION, UNLESS THE PARTNER PARTICIPATES IN WINDING UP
15 THE PARTNERSHIP'S BUSINESS PURSUANT TO § 9-803 OF THIS TITLE.

16 SUBTITLE 7. PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP.

17 9-701. PURCHASE OF DISSOCIATED PARTNER'S INTEREST.

18 (A) IF A PARTNER IS DISSOCIATED FROM A PARTNERSHIP WITHOUT
19 RESULTING IN A DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS
20 UNDER § 9-801 OF THIS TITLE, THE PARTNERSHIP SHALL CAUSE THE DISSOCIATED
21 PARTNER'S INTEREST IN THE PARTNERSHIP TO BE PURCHASED FOR A BUYOUT
22 PRICE DETERMINED PURSUANT TO SUBSECTION (B).

23 (B) THE BUYOUT PRICE OF A DISSOCIATED PARTNER'S INTEREST IS THE
24 AMOUNT THAT WOULD HAVE BEEN DISTRIBUTABLE TO THE DISSOCIATING
25 PARTNER UNDER § 9-807(B) OF THIS TITLE IF, ON THE DATE OF DISSOCIATION, THE
26 ASSETS OF THE PARTNERSHIP WERE SOLD AT A PRICE EQUAL TO THE GREATER OF
27 THE LIQUIDATION VALUE OR THE VALUE BASED ON A SALE OF THE ENTIRE
28 BUSINESS AS A GOING CONCERN WITHOUT THE DISSOCIATED PARTNER AND THE
29 PARTNERSHIP WERE WOUND UP AS OF THAT DATE. INTEREST MUST BE PAID FROM
30 THE DATE OF DISSOCIATION TO THE DATE OF PAYMENT.

31 (C) DAMAGES FOR WRONGFUL DISSOCIATION UNDER § 9-602(B) OF THIS
32 TITLE, AND ALL OTHER AMOUNTS OWING, WHETHER OR NOT PRESENTLY DUE,
33 FROM THE DISSOCIATED PARTNER TO THE PARTNERSHIP, MUST BE OFFSET
34 AGAINST THE BUYOUT PRICE. INTEREST MUST BE PAID FROM THE DATE THE
35 AMOUNT OWED BY THE DISSOCIATED PARTNER BECOMES DUE TO THE DATE OF
36 PAYMENT.

37 (D) A PARTNERSHIP SHALL INDEMNIFY A DISSOCIATED PARTNER WHOSE
38 INTEREST IS BEING PURCHASED AGAINST ALL PARTNERSHIP LIABILITIES, WHETHER
39 INCURRED BEFORE OR AFTER THE DISSOCIATION, EXCEPT LIABILITIES INCURRED
40 BY AN ACT OF THE DISSOCIATED PARTNER UNDER § 9-702 OF THIS SUBTITLE.

1 (E) IF NO AGREEMENT FOR THE PURCHASE OF A DISSOCIATED PARTNER'S
2 INTEREST IS REACHED WITHIN 120 DAYS AFTER A WRITTEN DEMAND FOR
3 PAYMENT, THE PARTNERSHIP SHALL PAY, OR CAUSE TO BE PAID, IN CASH TO THE
4 DISSOCIATED PARTNER THE AMOUNT THE PARTNERSHIP ESTIMATES TO BE THE
5 BUYOUT PRICE AND ACCRUED INTEREST UNDER SUBSECTION (B), REDUCED BY
6 ANY OFFSETS AND ACCRUED INTEREST UNDER SUBSECTION (C).

7 (F) IF A DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION (H), THE
8 PARTNERSHIP MAY TENDER A WRITTEN OFFER STATING THE AMOUNT IT
9 ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST UNDER
10 SUBSECTION (B), REDUCED BY ANY OFFSETS AND ACCRUED INTEREST UNDER
11 SUBSECTION (C), STATING THE TIME OF PAYMENT AND THE OTHER TERMS AND
12 CONDITIONS OF THE OBLIGATION.

13 (G) THE PAYMENT OR TENDER OF A WRITTEN OFFER REQUIRED BY
14 SUBSECTION (E) OR (F) MUST BE ACCOMPANIED BY THE FOLLOWING:

15 (1) A STATEMENT OF PARTNERSHIP ASSETS AND LIABILITIES AS OF THE
16 DATE OF DISSOCIATION;

17 (2) THE LATEST AVAILABLE PARTNERSHIP BALANCE SHEET AND
18 INCOME STATEMENT, IF ANY;

19 (3) AN EXPLANATION OF HOW THE ESTIMATED AMOUNT OF THE
20 PAYMENT WAS CALCULATED; AND

21 (4) WRITTEN NOTICE THAT UNLESS THE DISSOCIATED PARTNER
22 COMMENCES AN ACTION TO DETERMINE THE BUYOUT PRICE, ANY OFFSETS UNDER
23 SUBSECTION (C), OR OTHER TERMS OF THE OBLIGATION TO PURCHASE WITHIN 120
24 DAYS AFTER THE WRITTEN NOTICE, THE PAYMENT IS IN FULL SATISFACTION OF
25 THE OBLIGATION TO PURCHASE.

26 (H) A PARTNER WHO WRONGFULLY DISSOCIATES BEFORE THE EXPIRATION
27 OF A DEFINITE TERM OR THE COMPLETION OF A PARTICULAR UNDERTAKING IS
28 NOT ENTITLED TO PAYMENT OF ANY PORTION OF THE BUYOUT PRICE UNTIL THE
29 EXPIRATION OF THE TERM OR COMPLETION OF THE UNDERTAKING, UNLESS THE
30 PARTNER ESTABLISHES TO THE SATISFACTION OF THE COURT THAT EARLIER
31 PAYMENT WILL NOT CAUSE UNDUE HARDSHIP TO THE BUSINESS OF THE
32 PARTNERSHIP. A DEFERRED PAYMENT SHALL BEAR INTEREST.

33 (I) A DISSOCIATED PARTNER MAY MAINTAIN AN ACTION AGAINST THE
34 PARTNERSHIP, PURSUANT TO § 9-405(B)(2)(II) OF THIS TITLE, TO DETERMINE THE
35 BUYOUT PRICE OF THAT PARTNER'S INTEREST, ANY OFFSETS UNDER SUBSECTION
36 (C), OR OTHER TERMS OF THE OBLIGATION TO PURCHASE. THE ACTION MUST BE
37 COMMENCED WITHIN 120 DAYS AFTER THE PARTNERSHIP HAS TENDERED PAYMENT
38 OR A WRITTEN OFFER OR WITHIN ONE YEAR AFTER WRITTEN DEMAND FOR
39 PAYMENT IF NO PAYMENT OR WRITTEN OFFER IS TENDERED. THE COURT SHALL
40 DETERMINE THE BUYOUT PRICE OF THE DISSOCIATED PARTNER'S INTEREST, ANY
41 OFFSET DUE UNDER SUBSECTION (C), AND ACCRUED INTEREST, AND ENTER
42 JUDGMENT FOR ANY ADDITIONAL PAYMENT OR REFUND. IF DEFERRED PAYMENT
43 IS AUTHORIZED UNDER SUBSECTION (H), THE COURT SHALL ALSO DETERMINE THE

25

1 TERMS OF THE OBLIGATION TO PURCHASE. THE COURT MAY ASSESS REASONABLE
2 ATTORNEY'S FEES AND THE FEES AND EXPENSES OF APPRAISERS OR OTHER
3 EXPERTS FOR A PARTY TO THE ACTION, IN AMOUNTS THE COURT FINDS
4 EQUITABLE, AGAINST A PARTY THAT THE COURT FINDS ACTED ARBITRARILY,
5 VEXATIONOUSLY, OR NOT IN GOOD FAITH. THE FINDING MAY BE BASED ON THE
6 PARTNERSHIP'S FAILURE TO TENDER PAYMENT OR A WRITTEN OFFER OR TO
7 COMPLY WITH SUBSECTION (G).

8 9-702. DISSOCIATED PARTNER'S POWER TO BIND AND LIABILITY TO PARTNERSHIP.

9 (A) FOR 2 YEARS AFTER A PARTNER DISSOCIATES WITHOUT RESULTING IN A
10 DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS, THE
11 PARTNERSHIP, INCLUDING A SURVIVING PARTNERSHIP UNDER SUBTITLE 9 OF THIS
12 TITLE, IS BOUND BY AN ACT OF THE DISSOCIATED PARTNER WHICH WOULD HAVE
13 BOUND THE PARTNERSHIP UNDER § 9-301 OF THIS TITLE BEFORE DISSOCIATION
14 ONLY IF AT THE TIME OF ENTERING INTO THE TRANSACTION THE OTHER PARTY:

15 (1) REASONABLY BELIEVED THAT THE DISSOCIATED PARTNER WAS
16 THEN A PARTNER;

17 (2) DID NOT HAVE NOTICE OF THE PARTNER'S DISSOCIATION; AND

18 (3) IS NOT DEEMED TO HAVE HAD KNOWLEDGE UNDER § 9-303(D) OF
19 THIS TITLE OR NOTICE UNDER § 9-704(C) OF THIS SUBTITLE.

20 (B) A DISSOCIATED PARTNER IS LIABLE TO THE PARTNERSHIP FOR ANY
21 DAMAGE CAUSED TO THE PARTNERSHIP ARISING FROM AN OBLIGATION INCURRED
22 BY THE DISSOCIATED PARTNER AFTER DISSOCIATION FOR WHICH THE
23 PARTNERSHIP IS LIABLE UNDER SUBSECTION (A).

24 9-703. DISSOCIATED PARTNER'S LIABILITY TO OTHER PERSONS.

25 (A) A PARTNER'S DISSOCIATION DOES NOT OF ITSELF DISCHARGE THE
26 PARTNER'S LIABILITY FOR A PARTNERSHIP OBLIGATION INCURRED BEFORE
27 DISSOCIATION. A DISSOCIATED PARTNER IS NOT LIABLE FOR A PARTNERSHIP
28 OBLIGATION INCURRED AFTER DISSOCIATION, EXCEPT AS OTHERWISE PROVIDED
29 IN SUBSECTION (B).

30 (B) A PARTNER WHO DISSOCIATES WITHOUT RESULTING IN A DISSOLUTION
31 AND WINDING UP OF THE PARTNERSHIP BUSINESS IS LIABLE AS A PARTNER TO THE
32 OTHER PARTY IN A TRANSACTION ENTERED INTO BY THE PARTNERSHIP, OR A
33 SURVIVING PARTNERSHIP UNDER SUBTITLE 9 OF THIS TITLE, WITHIN 2 YEARS
34 AFTER THE PARTNER'S DISSOCIATION, ONLY IF AT THE TIME OF ENTERING INTO
35 THE TRANSACTION THE OTHER PARTY:

36 (1) REASONABLY BELIEVED THAT THE DISSOCIATED PARTNER WAS
37 THEN A PARTNER;

38 (2) DID NOT HAVE NOTICE OF THE PARTNER'S DISSOCIATION; AND

39 (3) IS NOT DEEMED TO HAVE HAD KNOWLEDGE UNDER § 9-303(E) OF
40 THIS TITLE OR NOTICE UNDER § 9-704(C) OF THIS SUBTITLE.

1 (C) BY AGREEMENT WITH THE PARTNERSHIP CREDITOR AND THE PARTNERS
2 CONTINUING THE BUSINESS, A DISSOCIATED PARTNER MAY BE RELEASED FROM
3 LIABILITY FOR A PARTNERSHIP OBLIGATION.

4 (D) A DISSOCIATED PARTNER IS RELEASED FROM LIABILITY FOR A
5 PARTNERSHIP OBLIGATION IF A PARTNERSHIP CREDITOR, WITH NOTICE OF THE
6 PARTNER'S DISSOCIATION BUT WITHOUT THE PARTNER'S CONSENT, AGREES TO A
7 MATERIAL ALTERATION IN THE NATURE OR TIME OF PAYMENT OF A PARTNERSHIP
8 OBLIGATION.

9 9-704. STATEMENT OF DISSOCIATION.

10 (A) A DISSOCIATED PARTNER OR THE PARTNERSHIP MAY FILE A STATEMENT
11 OF DISSOCIATION STATING THE NAME OF THE PARTNERSHIP AND THAT THE
12 PARTNER IS DISSOCIATED FROM THE PARTNERSHIP.

13 (B) A STATEMENT OF DISSOCIATION IS A LIMITATION ON THE AUTHORITY OF
14 A DISSOCIATED PARTNER FOR THE PURPOSES OF § 9-303(C) AND (D) OF THIS TITLE.

15 (C) FOR THE PURPOSES OF §§ 9-702(A)(3) AND 9-703(B)(3) OF THIS SUBTITLE, A
16 PERSON NOT A PARTNER IS DEEMED TO HAVE NOTICE OF THE DISSOCIATION 90
17 DAYS AFTER THE STATEMENT OF DISSOCIATION IS FILED.

18 9-705. CONTINUED USE OF PARTNERSHIP NAME.

19 CONTINUED USE OF A PARTNERSHIP NAME, OR A DISSOCIATED PARTNER'S
20 NAME AS PART THEREOF, BY PARTNERS CONTINUING THE BUSINESS DOES NOT OF
21 ITSELF MAKE THE DISSOCIATED PARTNER LIABLE FOR AN OBLIGATION OF THE
22 PARTNERS OR THE PARTNERSHIP CONTINUING THE BUSINESS.

23 SUBTITLE 8. WINDING UP PARTNERSHIP BUSINESS.

24 9-801. EVENTS CAUSING DISSOLUTION AND WINDING UP OF PARTNERSHIP BUSINESS.

25 A PARTNERSHIP IS DISSOLVED, AND ITS BUSINESS MUST BE WOUND UP, ONLY
26 UPON THE OCCURRENCE OF ANY OF THE FOLLOWING EVENTS:

27 (1) IN A PARTNERSHIP AT WILL, THE PARTNERSHIP'S HAVING NOTICE
28 FROM A PARTNER, OTHER THAN A PARTNER WHO IS DISSOCIATED UNDER § 9-601(2)
29 THROUGH (10) OF THIS TITLE, OF THAT PARTNER'S EXPRESS WILL TO WITHDRAW AS
30 A PARTNER, OR ON A LATER DATE SPECIFIED BY THE PARTNER;

31 (2) IN A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR
32 UNDERTAKING:

33 (I) THE EXPIRATION OF 90 DAYS AFTER A PARTNER'S
34 DISSOCIATION BY DEATH OR OTHERWISE UNDER § 9-601(6) THROUGH (10) OF THIS
35 TITLE OR WRONGFUL DISSOCIATION UNDER § 9-602(B) OF THIS TITLE, UNLESS
36 BEFORE THAT TIME A MAJORITY IN INTEREST OF THE REMAINING PARTNERS,
37 INCLUDING PARTNERS WHO HAVE RIGHTFULLY DISSOCIATED PURSUANT TO §
38 9-602(B)(2)(I) OF THIS TITLE, AGREE TO CONTINUE THE PARTNERSHIP;

27

1 (II) THE EXPRESS WILL OF ALL OF THE PARTNERS TO WIND UP THE
2 PARTNERSHIP BUSINESS; OR

3 (III) THE EXPIRATION OF THE TERM OR THE COMPLETION OF THE
4 UNDERTAKING;

5 (3) AN EVENT AGREED TO IN THE PARTNERSHIP AGREEMENT
6 RESULTING IN THE WINDING UP OF THE PARTNERSHIP BUSINESS;

7 (4) AN EVENT THAT MAKES IT UNLAWFUL FOR ALL OR SUBSTANTIALLY
8 ALL OF THE BUSINESS OF THE PARTNERSHIP TO BE CONTINUED, BUT A CURE OF
9 ILLEGALITY WITHIN 90 DAYS AFTER NOTICE TO THE PARTNERSHIP OF THE EVENT IS
10 EFFECTIVE RETROACTIVELY TO THE DATE OF THE EVENT FOR PURPOSES OF THIS
11 SECTION;

12 (5) ON APPLICATION BY A PARTNER, A JUDICIAL DETERMINATION
13 THAT:

14 (I) THE ECONOMIC PURPOSE OF THE PARTNERSHIP IS LIKELY TO
15 BE UNREASONABLY FRUSTRATED;

16 (II) ANOTHER PARTNER HAS ENGAGED IN CONDUCT RELATING TO
17 THE PARTNERSHIP BUSINESS WHICH MAKES IT NOT REASONABLY PRACTICABLE TO
18 CARRY ON THE BUSINESS IN PARTNERSHIP WITH THAT PARTNER; OR

19 (III) IT IS NOT OTHERWISE REASONABLY PRACTICABLE TO CARRY
20 ON THE PARTNERSHIP BUSINESS IN CONFORMITY WITH THE PARTNERSHIP
21 AGREEMENT; OR

22 (6) ON APPLICATION BY A TRANSFEREE OF A PARTNER'S
23 TRANSFERABLE INTEREST, A JUDICIAL DETERMINATION THAT IT IS EQUITABLE TO
24 WIND UP THE PARTNERSHIP BUSINESS:

25 (I) AFTER THE EXPIRATION OF THE TERM OR COMPLETION OF
26 THE UNDERTAKING, IF THE PARTNERSHIP WAS FOR A DEFINITE TERM OR
27 PARTICULAR UNDERTAKING AT THE TIME OF THE TRANSFER OR ENTRY OF THE
28 CHARGING ORDER THAT GAVE RISE TO THE TRANSFER; OR

29 (II) AT ANY TIME, IF THE PARTNERSHIP WAS A PARTNERSHIP AT
30 WILL AT THE TIME OF THE TRANSFER OR ENTRY OF THE CHARGING ORDER THAT
31 GAVE RISE TO THE TRANSFER.

32 9-802. PARTNERSHIP CONTINUES AFTER DISSOLUTION.

33 (A) SUBJECT TO SUBSECTION (B), A PARTNERSHIP CONTINUES AFTER
34 DISSOLUTION ONLY FOR THE PURPOSE OF WINDING UP ITS BUSINESS. THE
35 PARTNERSHIP IS TERMINATED WHEN THE WINDING UP OF ITS BUSINESS IS
36 COMPLETED.

37 (B) AT ANY TIME AFTER THE DISSOLUTION OF A PARTNERSHIP AND BEFORE
38 THE WINDING UP OF ITS BUSINESS IS COMPLETED, ALL OF THE PARTNERS,
39 INCLUDING ANY DISSOCIATING PARTNER OTHER THAN A WRONGFULLY

28

1 DISSOCIATING PARTNER, MAY WAIVE THE RIGHT TO HAVE THE PARTNERSHIP'S
2 BUSINESS WOUND UP AND THE PARTNERSHIP TERMINATED. IN THAT EVENT:

3 (1) THE PARTNERSHIP RESUMES CARRYING ON ITS BUSINESS AS IF
4 DISSOLUTION HAD NEVER OCCURRED, AND ANY LIABILITY INCURRED BY THE
5 PARTNERSHIP OR A PARTNER AFTER THE DISSOLUTION AND BEFORE THE WAIVER
6 IS DETERMINED AS IF DISSOLUTION HAD NEVER OCCURRED; AND

7 (2) THE RIGHTS OF A THIRD PARTY ACCRUING UNDER § 9-804(1) OF
8 THIS SUBTITLE OR ARISING OUT OF CONDUCT IN RELIANCE ON THE DISSOLUTION
9 BEFORE THE THIRD PARTY KNEW OR RECEIVED A NOTIFICATION OF THE WAIVER
10 MAY NOT BE ADVERSELY AFFECTED.

11 9-803. RIGHT TO WIND UP PARTNERSHIP BUSINESS.

12 (A) AFTER DISSOLUTION, A PARTNER WHO HAS NOT WRONGFULLY
13 DISSOCIATED MAY PARTICIPATE IN WINDING UP THE PARTNERSHIP'S BUSINESS, BUT
14 ON APPLICATION OF ANY PARTNER, PARTNER'S LEGAL REPRESENTATIVE, OR
15 TRANSFEREE, THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL
16 OFFICE OF THE PARTNERSHIP IS LOCATED, FOR GOOD CAUSE SHOWN, MAY ORDER
17 JUDICIAL SUPERVISION OF THE WINDING UP.

18 (B) THE LEGAL REPRESENTATIVE OF THE LAST SURVIVING PARTNER MAY
19 WIND UP A PARTNERSHIP'S BUSINESS.

20 (C) A PERSON WINDING UP A PARTNERSHIP'S BUSINESS MAY PRESERVE THE
21 PARTNERSHIP BUSINESS OR PROPERTY AS A GOING CONCERN FOR A REASONABLE
22 TIME, PROSECUTE AND DEFEND ACTIONS AND PROCEEDINGS, WHETHER CIVIL,
23 CRIMINAL, OR ADMINISTRATIVE, SETTLE AND CLOSE THE PARTNERSHIP'S BUSINESS,
24 DISPOSE OF AND TRANSFER THE PARTNERSHIP'S PROPERTY, DISCHARGE THE
25 PARTNERSHIP'S LIABILITIES, DISTRIBUTE THE ASSETS OF THE PARTNERSHIP
26 PURSUANT TO § 9-807 OF THIS SUBTITLE, SETTLE DISPUTES BY MEDIATION OR
27 ARBITRATION, AND PERFORM OTHER NECESSARY ACTS.

28 9-804. PARTNER'S POWER TO BIND PARTNERSHIP AFTER DISSOLUTION.

29 SUBJECT TO § 9-805 OF THIS SUBTITLE, A PARTNERSHIP IS BOUND BY A
30 PARTNER'S ACT AFTER DISSOLUTION THAT:

31 (1) IS APPROPRIATE FOR WINDING UP THE PARTNERSHIP BUSINESS; OR

32 (2) WOULD HAVE BOUND THE PARTNERSHIP UNDER § 9-301 OF THIS
33 TITLE BEFORE DISSOLUTION, IF THE OTHER PARTY TO THE TRANSACTION DID NOT
34 HAVE NOTICE OF THE DISSOLUTION.

35 9-805. STATEMENT OF DISSOLUTION.

36 (A) AFTER DISSOLUTION, A PARTNER WHO HAS NOT WRONGFULLY
37 DISSOCIATED MAY FILE A STATEMENT OF DISSOLUTION STATING THE NAME OF THE
38 PARTNERSHIP AND THAT THE PARTNERSHIP HAS DISSOLVED AND IS WINDING UP
39 ITS BUSINESS.

1 (B) A FILED STATEMENT OF DISSOLUTION CANCELS A FILED STATEMENT OF
2 PARTNERSHIP AUTHORITY FOR THE PURPOSES OF § 9-303(C) OF THIS TITLE AND IS A
3 LIMITATION ON AUTHORITY FOR THE PURPOSES OF § 9-303(D) OF THIS TITLE.

4 (C) FOR THE PURPOSES OF §§ 9-301 AND 9-804 OF THIS TITLE, A PERSON NOT A
5 PARTNER IS DEEMED TO HAVE NOTICE OF THE DISSOLUTION AND THE LIMITATION
6 ON THE PARTNERS' AUTHORITY AS A RESULT OF THE STATEMENT OF DISSOLUTION
7 90 DAYS AFTER IT IS FILED.

8 (D) AFTER FILING A STATEMENT OF DISSOLUTION, A DISSOLVED
9 PARTNERSHIP MAY FILE A STATEMENT OF PARTNERSHIP AUTHORITY WHICH WILL
10 OPERATE WITH RESPECT TO A PERSON NOT A PARTNER AS PROVIDED IN § 9-303(C)
11 AND (D) OF THIS TITLE IN ANY TRANSACTION, WHETHER OR NOT THE
12 TRANSACTION IS APPROPRIATE FOR WINDING UP THE PARTNERSHIP BUSINESS.

13 9-806. PARTNER'S LIABILITY TO OTHER PARTNERS AFTER DISSOLUTION.

14 (A) EXCEPT AS OTHERWISE PROVIDED IN § 9-306(C) OF THIS TITLE, AFTER
15 DISSOLUTION A PARTNER IS LIABLE TO THE OTHER PARTNERS FOR THE PARTNER'S
16 SHARE OF ANY PARTNERSHIP LIABILITY INCURRED UNDER § 9-804 OF THIS
17 SUBTITLE.

18 (B) A PARTNER WHO, WITH KNOWLEDGE OF THE DISSOLUTION, INCURS A
19 PARTNERSHIP LIABILITY UNDER § 9-804(2) OF THIS SUBTITLE BY AN ACT THAT IS
20 NOT APPROPRIATE FOR WINDING UP THE PARTNERSHIP BUSINESS IS LIABLE TO THE
21 PARTNERSHIP FOR ANY DAMAGE CAUSED TO THE PARTNERSHIP ARISING FROM
22 THE LIABILITY.

23 9-807. SETTLEMENT OF ACCOUNTS AND CONTRIBUTIONS AMONG PARTNERS.

24 (A) IN WINDING UP A PARTNERSHIP'S BUSINESS, THE ASSETS OF THE
25 PARTNERSHIP, INCLUDING THE CONTRIBUTIONS OF THE PARTNERS REQUIRED BY
26 THIS SECTION, MUST BE APPLIED TO DISCHARGE ITS OBLIGATIONS TO CREDITORS,
27 INCLUDING, TO THE EXTENT PERMITTED BY LAW, PARTNERS WHO ARE CREDITORS.
28 ANY SURPLUS MUST BE APPLIED TO PAY IN CASH THE NET AMOUNT DISTRIBUTABLE
29 TO PARTNERS IN ACCORDANCE WITH THEIR RIGHT TO DISTRIBUTIONS UNDER
30 SUBSECTION (B).

31 (B) EACH PARTNER IS ENTITLED TO A SETTLEMENT OF ALL PARTNERSHIP
32 ACCOUNTS UPON WINDING UP THE PARTNERSHIP BUSINESS. IN SETTLING
33 ACCOUNTS AMONG THE PARTNERS, THE PROFITS AND LOSSES THAT RESULT FROM
34 THE LIQUIDATION OF THE PARTNERSHIP ASSETS MUST BE CREDITED AND
35 CHARGED TO THE PARTNERS' ACCOUNTS. THE PARTNERSHIP SHALL MAKE A
36 DISTRIBUTION TO A PARTNER IN AN AMOUNT EQUAL TO ANY EXCESS OF THE
37 CREDITS OVER THE CHARGES IN THE PARTNER'S ACCOUNT. A PARTNER SHALL
38 CONTRIBUTE TO THE PARTNERSHIP AN AMOUNT EQUAL TO ANY EXCESS OF THE
39 CHARGES OVER THE CREDITS IN THE PARTNER'S ACCOUNT.

40 (C) IF A PARTNER FAILS TO CONTRIBUTE, ALL OF THE OTHER PARTNERS
41 SHALL CONTRIBUTE, IN THE PROPORTIONS IN WHICH THOSE PARTNERS SHARE
42 PARTNERSHIP LOSSES, THE ADDITIONAL AMOUNT NECESSARY TO SATISFY THE
43 PARTNERSHIP OBLIGATIONS. A PARTNER OR PARTNER'S LEGAL REPRESENTATIVE

30

1 MAY RECOVER FROM THE OTHER PARTNERS ANY CONTRIBUTIONS THE PARTNER
2 MAKES TO THE EXTENT THE AMOUNT CONTRIBUTED EXCEEDS THAT PARTNER'S
3 SHARE OF THE PARTNERSHIP OBLIGATIONS.

4 (D) AFTER THE SETTLEMENT OF ACCOUNTS, EACH PARTNER SHALL
5 CONTRIBUTE, IN THE PROPORTION IN WHICH THE PARTNER SHARES PARTNERSHIP
6 LOSSES, THE AMOUNT NECESSARY TO SATISFY PARTNERSHIP OBLIGATIONS THAT
7 WERE NOT KNOWN AT THE TIME OF THE SETTLEMENT.

8 (E) THE ESTATE OF A DECEASED PARTNER IS LIABLE FOR THE PARTNER'S
9 OBLIGATION TO CONTRIBUTE TO THE PARTNERSHIP.

10 (F) AN ASSIGNEE FOR THE BENEFIT OF CREDITORS OF A PARTNERSHIP OR A
11 PARTNER, OR A PERSON APPOINTED BY A COURT TO REPRESENT CREDITORS OF A
12 PARTNERSHIP OR A PARTNER, MAY ENFORCE A PARTNER'S OBLIGATION TO
13 CONTRIBUTE TO THE PARTNERSHIP.

14 (G) NOTWITHSTANDING THE FOREGOING PROVISIONS OF § 9-807 OF THIS
15 SUBTITLE, A PARTNER OF A LIMITED LIABILITY PARTNERSHIP SHALL HAVE NO
16 OBLIGATION TO MAKE A CONTRIBUTION TO THE PARTNERSHIP, WHETHER
17 DIRECTLY OR INDIRECTLY BY WAY OF A CHARGE AGAINST THE PARTNER'S
18 ACCOUNT OR OTHERWISE, WITH RESPECT TO ANY PARTNERSHIP OBLIGATIONS FOR
19 WHICH THE PARTNER HAS NO PERSONAL LIABILITY UNDER § 9-306 OF THIS TITLE.

20 SUBTITLE 9. MERGER.

21 9-901. MERGER IN GENERAL.

22 (A) UNLESS THE PARTNERSHIP AGREEMENT PROVIDES OTHERWISE, A
23 PARTNERSHIP MAY BE A PARTY TO A STATUTORY MERGER PURSUANT TO THIS
24 SUBTITLE AND MAY MERGE INTO ONE OR MORE:

25 (1) PARTNERSHIPS;

26 (2) LIMITED LIABILITY COMPANIES;

27 (3) LIMITED PARTNERSHIPS;

28 (4) CORPORATIONS HAVING CAPITAL STOCK; OR

29 (5) BUSINESS TRUSTS HAVING TRANSFERABLE UNITS OF BENEFICIAL
30 INTEREST.

31 (B) ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES, LIMITED
32 PARTNERSHIPS, CORPORATIONS HAVING CAPITAL STOCK, OR BUSINESS TRUSTS
33 HAVING TRANSFERABLE UNITS OF BENEFICIAL INTEREST MAY MERGE INTO A
34 PARTNERSHIP.

35 (C) BEFORE A PARTNERSHIP MAY BE A PARTY TO A STATUTORY MERGER
36 PURSUANT TO THIS SUBTITLE, SUCH PARTNERSHIP MUST HAVE ON FILE WITH THE
37 DEPARTMENT EITHER (1) A STATEMENT OF AUTHORITY FILED PURSUANT TO §9-303
38 OF THIS TITLE OR (2) A CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP FILED
39 PURSUANT TO § 9-1001 OF THIS TITLE.

31

1 (D) THE STATUTORY MERGER PROVISIONS OF THIS SUBTITLE DO NOT
2 PRECLUDE A PARTNERSHIP FROM BEING CONVERTED OR MERGED BY AGREEMENT
3 OR BY OPERATION OF LAW.

4 9-902. APPROVAL OF MERGER.

5 (A) THE PROPOSED MERGER SHALL BE APPROVED IN THE MANNER
6 PROVIDED BY THIS SECTION.

7 (B) A CORPORATION SHALL APPROVE THE MERGER UNDER THE PROVISIONS
8 OF § 3-105 OF THIS ARTICLE.

9 (C) A BUSINESS TRUST SHALL APPROVE THE MERGER UNDER THE
10 PROVISIONS OF § 8-501.1 OF THIS ARTICLE.

11 (D) A LIMITED PARTNERSHIP SHALL APPROVE THE MERGER UNDER THE
12 PROVISIONS OF § 10-208 OF THIS ARTICLE.

13 (E) A LIMITED LIABILITY COMPANY SHALL APPROVE THE MERGER UNDER
14 THE PROVISIONS OF § 4A-702 OF THIS ARTICLE.

15 (F) A PARTNERSHIP SHALL APPROVE THE MERGER BY ALL OF ITS PARTNERS,
16 OR A LESSER NUMBER OR PERCENTAGE SPECIFIED FOR MERGER IN ITS
17 PARTNERSHIP AGREEMENT.

18 (G) A FOREIGN PARTNERSHIP PARTY TO THE MERGER SHALL HAVE THE
19 MERGER APPROVED IN THE MANNER AND BY THE VOTE REQUIRED BY THE LAWS
20 OF THE PLACE WHERE IT IS ORGANIZED.

21 9-903. EXECUTION AND FILING OF ARTICLES OF MERGER.

22 ARTICLES OF MERGER SHALL:

23 (1) CONTAIN THE PROVISIONS REQUIRED BY § 3-109 OF THIS ARTICLE
24 AND OTHER PROVISIONS PERMITTED BY THAT SECTION;

25 (2) BE EXECUTED:

26 (I) IN THE CASE OF A PARTNERSHIP, BY ANY PARTNER
27 AUTHORIZED BY THE PARTNERSHIP TO DO SO;

28 (II) IN THE CASE OF A LIMITED LIABILITY COMPANY, IN THE
29 MANNER REQUIRED BY § 4A-206 OF THIS ARTICLE;

30 (III) IN THE CASE OF A CORPORATION OR BUSINESS TRUST, IN THE
31 MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE; AND

32 (IV) IN THE CASE OF A LIMITED PARTNERSHIP, IN THE MANNER
33 REQUIRED BY TITLE 10 OF THIS ARTICLE; AND

34 (3) BE FILED FOR RECORD WITH THE DEPARTMENT.

35 9-904. ABANDONMENT.

36 (A) UNLESS THE ARTICLES OF MERGER PRECLUDE THE RIGHT TO ABANDON
37 THE MERGER OR PERMIT SOME OTHER VOTE OR MANNER OF ABANDONMENT, A

32

1 PROPOSED MERGER MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE
2 ARTICLES BY:

3 (1) A MAJORITY VOTE OF THE PARTNERS OF A PARTNERSHIP PARTY TO
4 THE ARTICLES;

5 (2) UNANIMOUS CONSENT OF THE MEMBERS OF A LIMITED LIABILITY
6 COMPANY PARTY TO THE ARTICLES;

7 (3) A MAJORITY VOTE OF THE GENERAL PARTNERS AND A MAJORITY
8 IN INTEREST OF THE LIMITED PARTNERS, AS DEFINED IN § 10-208 OF THIS ARTICLE,
9 OF ANY LIMITED PARTNERSHIP PARTY TO THE ARTICLES;

10 (4) A MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS OF A
11 CORPORATION PARTY TO THE ARTICLES; AND

12 (5) A MAJORITY VOTE OF THE ENTIRE BOARD OF TRUSTEES OF A
13 BUSINESS TRUST PARTY TO THE ARTICLES.

14 (B) IF THE ARTICLES OF MERGER HAVE BEEN FILED WITH THE
15 DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE
16 DEPARTMENT.

17 (C) (1) IF THE PROPOSED MERGER IS ABANDONED AS PROVIDED IN THIS
18 SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF MERGER.

19 (2) AN ABANDONMENT DOES NOT PREJUDICE THE RIGHTS OF ANY
20 PERSON UNDER ANY OTHER CONTRACT MADE BY A PARTNERSHIP, LIMITED
21 LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION OR BUSINESS TRUST
22 PARTY TO THE PROPOSED ARTICLES OF MERGER IN CONNECTION WITH THE
23 PROPOSED MERGER.

24 9-905. RIGHTS OF OBJECTOR.

25 (A) A MEMBER OF A PARTNERSHIP OBJECTING TO A MERGER OF THE
26 PARTNERSHIP HAS THE SAME RIGHTS WITH RESPECT TO THE PARTNER'S INTEREST
27 IN THE PARTNERSHIP AS A STOCKHOLDER OF A MARYLAND CORPORATION WHO
28 OBJECTS HAS WITH RESPECT TO THE STOCKHOLDER'S STOCK UNDER TITLE 3,
29 SUBTITLE 2 OF THIS ARTICLE.

30 (B) THE PROCEDURES UNDER TITLE 3, SUBTITLE 2 OF THIS ARTICLE SHALL
31 BE APPLICABLE TO THE EXTENT PRACTICABLE.

32 9-906. CERTIFICATES OF MERGER.

33 (A) THE DEPARTMENT SHALL PREPARE CERTIFICATES OF MERGER THAT
34 SPECIFY:

35 (1) THE NAME OF EACH PARTY TO THE ARTICLES OF MERGER;

36 (2) THE NAME OF THE SUCCESSOR AND THE LOCATION OF ITS
37 PRINCIPAL OFFICE IN THE STATE OR, IF IT HAS NONE, ITS PRINCIPAL PLACE OF
38 BUSINESS; AND

33

1 (3) THE TIME THE ARTICLES OF MERGER ARE ACCEPTED FOR RECORD
2 BY THE DEPARTMENT.

3 (B) IN ADDITION TO ANY OTHER PROVISION OF LAW WITH RESPECT TO
4 RECORDING, THE DEPARTMENT SHALL SEND ONE OF THE CERTIFICATES OF
5 MERGER TO THE CLERK OF THE CIRCUIT COURT OF EACH COUNTY IN THE STATE
6 WHERE:

7 (1) THE PRINCIPAL OFFICE OF A MERGING PARTNERSHIP, LIMITED
8 LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION OR BUSINESS TRUST IS
9 LOCATED; AND

10 (2) THE ARTICLES OF MERGER SHOW THAT A MERGING PARTNERSHIP,
11 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION OR BUSINESS
12 TRUST OTHER THAN THE SUCCESSOR OWNS AN INTEREST IN LAND.

13 (C) UPON RECEIPT OF A CERTIFICATE OF MERGER, THE CLERK PROMPTLY
14 SHALL RECORD IT WITH:

15 (1) THE CHARTER RECORDS, PARTNERSHIP RECORDS, LIMITED
16 LIABILITY COMPANY RECORDS, OR LIMITED PARTNERSHIP RECORDS, IF IT RELATES
17 TO THE LOCATION OF A PRINCIPAL OFFICE; AND

18 (2) THE LAND RECORDS, IF IT RELATES TO AN INTEREST IN LAND.

19 9-907. PROPERTY CERTIFICATE.

20 (A) THE DEPARTMENT SHALL REQUIRE A PARTNERSHIP, LIMITED LIABILITY
21 COMPANY, LIMITED PARTNERSHIP, CORPORATION, OR BUSINESS TRUST TO SUBMIT
22 WITH THE ARTICLES OF MERGER A PROPERTY CERTIFICATE FOR EACH COUNTY
23 WHERE A MERGING PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED
24 PARTNERSHIP, CORPORATION, OR BUSINESS TRUST OTHER THAN THE SUCCESSOR
25 OWNS AN INTEREST IN LAND.

26 (B) A PROPERTY CERTIFICATE IS NOT REQUIRED WITH RESPECT TO ANY
27 PROPERTY IN WHICH THE ONLY INTEREST OWNED BY THE MERGING PARTNERSHIP,
28 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION, OR BUSINESS
29 TRUST IS A SECURITY INTEREST.

30 (C) THE PROPERTY CERTIFICATE:

31 (1) SHALL BE IN THE FORM AND NUMBER OF COPIES THAT THE
32 DEPARTMENT REQUIRES; AND

33 (2) MAY INCLUDE THE CERTIFICATE OF THE DEPARTMENT REQUIRED
34 BY § 9-906 OF THIS SUBTITLE.

35 (D) (1) THE PROPERTY CERTIFICATE SHALL PROVIDE A DEED REFERENCE
36 OR OTHER DESCRIPTION SUFFICIENT TO IDENTIFY THE PROPERTY.

37 (2) THE DEPARTMENT SHALL:

38 (I) INDICATE ON THE PROPERTY CERTIFICATE THE TIME THAT
39 ARTICLES OF MERGER ARE ACCEPTED FOR RECORD; AND

34

1 (II) SEND A COPY OF THE PROPERTY CERTIFICATE TO THE CHIEF
2 ASSESSOR OF THE COUNTY WHERE THE PROPERTY IS LOCATED.

3 (E) A TRANSFER, VESTING, OR DEVOLUTION OF TITLE TO THE PROPERTY IS
4 NOT INVALIDATED OR OTHERWISE AFFECTED BY ANY ERROR OR DEFECT IN THE
5 PROPERTY CERTIFICATE, FAILURE TO FILE THE PROPERTY CERTIFICATE, OR
6 FAILURE BY THE DEPARTMENT TO ACT ON THE PROPERTY CERTIFICATE.

7 9-908. EFFECTIVE DATE OF MERGER.

8 A MERGER IS EFFECTIVE AS OF THE LATER OF:

9 (1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF MERGER
10 FOR RECORD; OR

11 (2) THE TIME ESTABLISHED UNDER THE ARTICLES OF MERGER, NOT TO
12 EXCEED 30 DAYS AFTER THE ARTICLES OF MERGER ARE ACCEPTED FOR RECORD.

13 9-909. EFFECTS OF CONSUMMATION.

14 (A) CONSUMMATION OF A MERGER HAS THE EFFECTS PROVIDED IN THIS
15 SECTION.

16 (B) THE SEPARATE EXISTENCE OF EACH PARTNERSHIP, LIMITED LIABILITY
17 COMPANY, LIMITED PARTNERSHIP, CORPORATION, OR BUSINESS TRUST PARTY TO
18 THE ARTICLES, EXCEPT THE SUCCESSOR, CEASES.

19 (C) THE INTEREST OF EACH PARTNER OF A PARTNERSHIP PARTY TO THE
20 ARTICLES OF MERGER THAT ARE TO BE CONVERTED OR EXCHANGED UNDER THE
21 TERMS OF THE ARTICLES OF MERGER CEASE TO EXIST, SUBJECT TO THE RIGHTS OF
22 AN OBJECTING PARTNER UNDER § 9-905 OF THIS SUBTITLE.

23 (D) IN ADDITION TO ANY OTHER PURPOSES AND POWERS SET FORTH IN THE
24 ARTICLES OF MERGER, IF THE ARTICLES PROVIDE, THE SUCCESSOR HAS THE
25 PURPOSE AND POWERS OF EACH PARTY TO THE ARTICLES.

26 (E) (1) THE ASSETS OF EACH PARTY TO THE ARTICLES OF MERGER,
27 INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING,
28 TRANSFER TO, VEST IN, AND DEVOLVE UPON THE SUCCESSOR WITHOUT FURTHER
29 ACT OR DEED.

30 (2) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS
31 TO EVIDENCE THE TRANSFER MAY BE EXECUTED AND DELIVERED AT ANY TIME IN
32 THE NAME OF THE NONSURVIVING PARTY TO THE ARTICLES OF MERGER BY ITS
33 LAST ACTING AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS, TRUSTEES,
34 OR BY THE APPROPRIATE AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS,
35 OR TRUSTEES, OR MEMBERS OF THE SUCCESSOR.

36 (F) (1) (I) THE SUCCESSOR IS LIABLE FOR ALL THE DEBTS AND
37 OBLIGATIONS OF EACH NONSURVIVING PARTY TO THE ARTICLES OF MERGER.

38 (II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY
39 OR AGAINST ANY NONSURVIVING PARTY TO THE ARTICLES OF MERGER:

35

1 1. MAY BE PROSECUTED TO JUDGMENT AS IF THE MERGER
2 HAD NOT TAKEN PLACE; OR

3 2. ON MOTION OF THE SUCCESSOR OR ANY PARTY, THE
4 SUCCESSOR MAY BE SUBSTITUTED AS A PARTY, AND THE JUDGMENT AGAINST THE
5 NONSURVIVING PARTY TO THE ARTICLES OF MERGER SHALL CONSTITUTE A
6 JUDGMENT AGAINST THE SUCCESSOR.

7 (2) A MERGER DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR A LIEN
8 ON THE PROPERTY OF ANY PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED
9 PARTNERSHIP, CORPORATION OR BUSINESS TRUST PARTY TO THE ARTICLES OF
10 MERGER.

11 (3) SUBJECT TO SUBTITLES 7 AND 8 OF THIS TITLE, A PARTNER OF A
12 NONSURVIVING PARTNERSHIP REMAINS LIABLE FOR ALL THE DEBTS AND
13 OBLIGATIONS OF THE NONSURVIVING PARTNERSHIP PARTY TO THE ARTICLES OF
14 MERGER.

15 (G) A PARTNER OF THE SURVIVING PARTNERSHIP IS LIABLE FOR:

16 (1) ALL OBLIGATIONS OF A PARTY TO THE MERGER FOR WHICH THE
17 PARTNER WAS PERSONALLY LIABLE BEFORE THE MERGER;

18 (2) ALL OTHER OBLIGATIONS OF THE SURVIVING PARTNERSHIP
19 INCURRED BEFORE THE MERGER BY A PARTY TO THE MERGER, BUT THOSE
20 OBLIGATIONS MAY BE SATISFIED ONLY OUT OF PROPERTY OF THE ENTITY; AND

21 (3) ALL OBLIGATIONS OF THE SURVIVING PARTNERSHIP INCURRED
22 AFTER THE MERGER TAKES EFFECT.

23 9-910. SERVICE OF PROCESS.

24 FOLLOWING A MERGER INVOLVING ONE OR MORE PARTNERSHIPS, IF THE
25 SUCCESSOR PARTNERSHIP IS NOT A PARTNERSHIP ORGANIZED UNDER THIS
26 SUBTITLE, THERE SHALL BE INCLUDED IN THE ARTICLES OF MERGER FILED UNDER
27 § 9-903 OF THIS SUBTITLE FOR EACH PARTNERSHIP ORGANIZED UNDER THIS
28 SUBTITLE A STATEMENT THAT:

29 (1) THE SUCCESSOR PARTNERSHIP AGREES THAT IT MAY BE SERVED
30 WITH PROCESS IN THIS STATE IN ANY ACTION, SUIT, OR PROCEEDING FOR THE
31 ENFORCEMENT OF ANY OBLIGATION OF THE NONSURVIVING PARTNERSHIP THAT
32 AROSE BEFORE THE MERGER;

33 (2) IRREVOCABLY APPOINTS THE DEPARTMENT AS ITS AGENT TO
34 ACCEPT SERVICE OF PROCESS IN ANY SUCH ACTION, SUIT OR PROCEEDING
35 DESCRIBED UNDER ITEM (1) OF THIS SECTION; AND

36 (3) SPECIFIES THE ADDRESS TO WHICH A COPY OF THE PROCESS SHALL
37 BE MAILED TO IT BY THE DEPARTMENT.

36

1 SUBTITLE 10. LIMITED LIABILITY PARTNERSHIPS.

2 9-1001. REGISTRATION; CERTIFICATES.

3 (A) A PARTNERSHIP FORMED IN ACCORDANCE WITH AN AGREEMENT
4 GOVERNED BY THE LAWS OF THIS STATE MAY REGISTER AS A LIMITED LIABILITY
5 PARTNERSHIP BY FILING WITH THE DEPARTMENT A CERTIFICATE OF LIMITED
6 LIABILITY PARTNERSHIP WHICH SETS FORTH:

7 (1) THE NAME OF THE LIMITED LIABILITY PARTNERSHIP;

8 (2) THE PURPOSE FOR WHICH THE LIMITED LIABILITY PARTNERSHIP
9 EXISTS; AND

10 (3) THE ADDRESS OF ITS PRINCIPAL OFFICE IN THIS STATE AND THE
11 NAME AND ADDRESS OF ITS RESIDENT AGENT.

12 (B) A PARTNERSHIP QUALIFIES AS A LIMITED LIABILITY PARTNERSHIP AT
13 THE TIME OF THE FILING OF THE CERTIFICATE WITH THE DEPARTMENT OR AT ANY
14 LATER TIME SPECIFIED IN THE CERTIFICATE.

15 (C) AN AMENDMENT TO THE CERTIFICATE OF LIMITED LIABILITY
16 PARTNERSHIP SHALL BE:

17 (1) IN WRITING; AND

18 (2) FILED FOR RECORD WITH THE DEPARTMENT.

19 (D) A CERTIFICATE OR AMENDMENT SHALL BE EXECUTED BY A PERSON
20 AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE SUCH
21 CERTIFICATE AND AMENDMENT.

22 (E) REGISTRATION OF A PARTNERSHIP AS A LIMITED LIABILITY
23 PARTNERSHIP MAY BE VOLUNTARILY WITHDRAWN AT ANY TIME BY FILING WITH
24 THE DEPARTMENT A WRITTEN WITHDRAWAL NOTICE EXECUTED BY ONE OR MORE
25 PARTNERS AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE
26 THE WITHDRAWAL.

27 (F) THE STATUS OF A PARTNERSHIP AS A LIMITED LIABILITY PARTNERSHIP
28 SHALL NOT BE AFFECTED BY THE ADMISSION OF ONE OR MORE PARTNERS TO THE
29 PARTNERSHIP OR BY THE DEATH, RETIREMENT, OR WITHDRAWAL OF ANY
30 PARTNER OR ANY OTHER EVENT CAUSING ANY PARTNER TO BE DISSOCIATED
31 FROM THE PARTNERSHIP.

32 9-1002. RECORDATION OR FILINGS WITH DEPARTMENT.

33 (A) THE DEPARTMENT MAY NOT ACCEPT FOR RECORD OR FILING ANY
34 DOCUMENT OF A LIMITED LIABILITY PARTNERSHIP THAT DOES NOT CONFORM
35 WITH LAW.

36 (B) ANY DOCUMENT WHICH PURPORTS TO BE ACKNOWLEDGED MAY BE
37 TREATED BY THE DEPARTMENT AS PROPERLY ACKNOWLEDGED.

37

1 (C) THE DEPARTMENT MAY NOT ACCEPT FOR RECORD OR FILING ANY
2 CERTIFICATES, QUALIFICATION, REGISTRATION, CHANGE OF RESIDENT AGENT OR
3 PRINCIPAL OFFICE, REPORT, SERVICE OF PROCESS OR NOTICE, OR OTHER
4 DOCUMENT UNTIL ALL REQUIRED RECORDING, FILING, AND OTHER FEES HAVE
5 BEEN PAID TO THE DEPARTMENT.

6 (D) WHEN THE DEPARTMENT ACCEPTS FOR RECORD ANY CERTIFICATE OR
7 OTHER DOCUMENT, THE DEPARTMENT SHALL:

8 (1) ENDORSE ON THE DOCUMENT ITS ACCEPTANCE FOR RECORD AND
9 THE DATE AND TIME OF ACCEPTANCE;

10 (2) RECORD PROMPTLY THE DOCUMENT; AND

11 (3) RETURN THE DOCUMENT TO THE LIMITED LIABILITY PARTNERSHIP,
12 ITS ATTORNEY, OR ITS AGENT.

13 9-1003. NAME.

14 THE NAME OF EACH LIMITED LIABILITY PARTNERSHIP AS SET FORTH IN THE
15 CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP:

16 (1) SHALL CONTAIN EITHER THE WORDS "LIMITED LIABILITY
17 PARTNERSHIP" OR THE ABBREVIATION "L.L.P." OR "LLP" AS THE LAST WORDS OR
18 LETTERS OF ITS NAME;

19 (2) MAY NOT CONTAIN ANY WORD OR PHRASE WHICH INDICATES OR
20 IMPLIES THAT IT IS ORGANIZED FOR ANY PURPOSE NOT STATED IN ITS
21 CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP; AND

22 (3) MAY NOT BE THE SAME AS OR MISLEADINGLY SIMILAR TO:

23 (I) THE NAME OF ANY CORPORATION, LIMITED PARTNERSHIP,
24 LIMITED LIABILITY COMPANY, OR LIMITED LIABILITY PARTNERSHIP ORGANIZED
25 UNDER THE LAWS OF THIS STATE;

26 (II) THE NAME OF ANY FOREIGN CORPORATION, FOREIGN
27 LIMITED PARTNERSHIP, FOREIGN LIMITED LIABILITY COMPANY, OR FOREIGN
28 LIMITED LIABILITY PARTNERSHIP REGISTERED OR QUALIFIED TO DO BUSINESS IN
29 THIS STATE; OR

30 (III) ANY NAME WHICH IS RESERVED OR REGISTERED UNDER §
31 2-107, § 4A-209, § 7-101, § 9-1004, § 10-103, OR § 10-904 OR RECORDED UNDER § 1-406 OF
32 THIS ARTICLE.

33 9-1004. RESERVED NAMES.

34 (A) THE EXCLUSIVE RIGHT TO USE A SPECIFIED NAME FOR A DOMESTIC OR
35 FOREIGN LIMITED LIABILITY PARTNERSHIP MAY BE RESERVED BY:

36 (1) A PERSON WHO INTENDS TO REGISTER A DOMESTIC LIMITED
37 LIABILITY PARTNERSHIP;

38

1 (2) A DOMESTIC LIMITED LIABILITY PARTNERSHIP THAT PROPOSES TO
2 CHANGE ITS NAME;

3 (3) A FOREIGN LIMITED LIABILITY PARTNERSHIP THAT INTENDS TO
4 REGISTER TO DO BUSINESS IN THE STATE OF MARYLAND; OR

5 (4) A FOREIGN LIMITED LIABILITY PARTNERSHIP REGISTERED TO DO
6 BUSINESS IN THE STATE OF MARYLAND THAT PROPOSES TO CHANGE ITS NAME.

7 (B) (1) A PERSON MAY RESERVE A SPECIFIED NAME BY FILING A SIGNED
8 APPLICATION WITH THE DEPARTMENT.

9 (2) IF THE DEPARTMENT FINDS THAT THE NAME IS AVAILABLE FOR
10 USE BY A LIMITED LIABILITY PARTNERSHIP, THE DEPARTMENT SHALL RESERVE
11 THE NAME FOR 30 DAYS FOR THE EXCLUSIVE USE OF THE APPLICANT.

12 (C) THE EXCLUSIVE RIGHT TO USE A RESERVED NAME MAY BE
13 TRANSFERRED TO ANOTHER PERSON BY FILING WITH THE DEPARTMENT A NOTICE
14 OF THE TRANSFER WHICH SPECIFIES THE NAME AND ADDRESS OF THE TRANSFEREE
15 AND IS SIGNED BY THE APPLICANT FOR WHOM THE NAME WAS RESERVED.

16 9-1005. PRINCIPAL OFFICE; RESIDENT AGENT.

17 (A) LIMITED LIABILITY PARTNERSHIP SHALL HAVE:

18 (1) A PRINCIPAL OFFICE IN THE STATE; AND

19 (2) AT LEAST ONE RESIDENT AGENT WHO SHALL BE:

20 (I) A CITIZEN OF THE STATE WHO RESIDES IN THE STATE;

21 (II) A MARYLAND CORPORATION; OR

22 (III) A MARYLAND LIMITED LIABILITY COMPANY.

23 (B) (1) A LIMITED LIABILITY PARTNERSHIP MAY DESIGNATE OR CHANGE
24 ITS RESIDENT AGENT OR PRINCIPAL OFFICE BY FILING FOR RECORD WITH THE
25 DEPARTMENT A STATEMENT SIGNED BY AN AUTHORIZED PERSON WHICH
26 AUTHORIZES THE DESIGNATION OR CHANGE.

27 (2) A LIMITED LIABILITY PARTNERSHIP MAY CHANGE THE ADDRESS OF
28 ITS RESIDENT AGENT BY FILING FOR RECORD WITH THE DEPARTMENT A
29 STATEMENT OF THE CHANGE SIGNED BY A PERSON AUTHORIZED BY THE LIMITED
30 LIABILITY PARTNERSHIP TO EXECUTE SUCH STATEMENTS.

31 (3) A DESIGNATION OR CHANGE OF A PRINCIPAL OFFICE OR RESIDENT
32 AGENT OR ADDRESS OF THE RESIDENT AGENT FOR A LIMITED LIABILITY
33 PARTNERSHIP UNDER THIS SUBSECTION IS EFFECTIVE WHEN THE DEPARTMENT
34 ACCEPTS THE STATEMENT FOR RECORD.

35 (C) (1) A RESIDENT AGENT WHO CHANGES ADDRESSES IN THE STATE MAY
36 NOTIFY THE DEPARTMENT OF THE CHANGE BY FILING FOR RECORD WITH THE
37 DEPARTMENT A STATEMENT OF THE CHANGE SIGNED BY OR ON BEHALF OF THE
38 RESIDENT AGENT.

39

1 (2) THE STATEMENT SHALL INCLUDE:

2 (I) THE NAME OF THE LIMITED LIABILITY PARTNERSHIP FOR
3 WHICH THE CHANGE IS EFFECTIVE;

4 (II) THE OLD AND NEW ADDRESSES OF THE RESIDENT AGENT; AND

5 (III) THE DATE ON WHICH THE CHANGE IS EFFECTIVE.

6 (3) IF THE OLD AND NEW ADDRESSES OF THE RESIDENT AGENT ARE
7 THE SAME AS THE OLD AND NEW ADDRESSES OF THE PRINCIPAL OFFICE OF THE
8 LIMITED LIABILITY PARTNERSHIP, THE STATEMENT MAY INCLUDE A CHANGE OF
9 ADDRESS OF THE PRINCIPAL OFFICE IF:

10 (I) THE RESIDENT AGENT NOTIFIES THE LIMITED LIABILITY
11 PARTNERSHIP IN WRITING; AND

12 (II) THE STATEMENT RECITES THAT NOTICE HAS BEEN SENT.

13 (4) THE CHANGE OF ADDRESS OF THE RESIDENT AGENT OR PRINCIPAL
14 OFFICE IS EFFECTIVE WHEN THE DEPARTMENT ACCEPTS THE STATEMENT FOR
15 RECORD.

16 (D) (1) A RESIDENT AGENT MAY RESIGN BY FILING WITH THE
17 DEPARTMENT A COUNTERPART OR PHOTOCOPY OF THE SIGNED RESIGNATION.

18 (2) UNLESS A LATER TIME IS SPECIFIED IN THE RESIGNATION, IT IS
19 EFFECTIVE:

20 (I) AT THE TIME IT IS FILED WITH THE DEPARTMENT, IF THE
21 LIMITED LIABILITY PARTNERSHIP HAS MORE THAN ONE RESIDENT AGENT; OR

22 (II) 10 DAYS AFTER IT IS FILED WITH THE DEPARTMENT, IF THE
23 LIMITED LIABILITY PARTNERSHIP HAS ONLY ONE RESIDENT AGENT.

24 9-1006. RESTRICTIONS ON DISTRIBUTIONS BY LIMITED LIABILITY PARTNERSHIPS.

25 (A) A DISTRIBUTION MAY NOT BE MADE BY A LIMITED LIABILITY
26 PARTNERSHIP IF, AFTER GIVING EFFECT TO THE DISTRIBUTION:

27 (1) THE LIMITED LIABILITY PARTNERSHIP WOULD NOT BE ABLE TO PAY
28 ITS DEBTS AS THEY BECOME DUE IN THE USUAL COURSE OF BUSINESS; OR

29 (2) THE LIMITED LIABILITY PARTNERSHIP'S TOTAL ASSETS WOULD BE
30 LESS THAN THE SUM OF ITS TOTAL LIABILITIES PLUS, UNLESS THE PARTNERSHIP
31 AGREEMENT PERMITS OTHERWISE, THE AMOUNT THAT WOULD BE NEEDED, IF THE
32 AFFAIRS OF THE LIMITED LIABILITY PARTNERSHIP WERE TO BE WOUND UP AT THE
33 TIME OF THE DISTRIBUTION, TO SATISFY ANY PREFERENTIAL RIGHTS WHICH ARE
34 SUPERIOR TO THE RIGHTS OF PARTNERS RECEIVING THE DISTRIBUTION.

35 (B) THE LIMITED LIABILITY PARTNERSHIP MAY BASE A DETERMINATION
36 THAT A DISTRIBUTION IS NOT PROHIBITED UNDER SUBSECTION (A) OF THIS
37 SECTION ON:

40

1 (1) FINANCIAL STATEMENTS PREPARED ON THE BASIS OF ACCOUNTING
2 PRACTICES AND PRINCIPLES THAT ARE REASONABLE UNDER THE CIRCUMSTANCES;
3 OR

4 (2) A FAIR VALUATION OR OTHER METHOD THAT IS REASONABLE
5 UNDER THE CIRCUMSTANCES.

6 (C) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE EFFECT
7 OF A DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION IS MEASURED AS OF:

8 (1) THE DATE THE DISTRIBUTION IS AUTHORIZED, IF THE PAYMENT
9 OCCURS WITHIN 120 DAYS AFTER THE DATE OF AUTHORIZATION; OR

10 (2) THE DATE THE PAYMENT IS MADE, IF IT OCCURS MORE THAN 120
11 DAYS AFTER THE DATE OF AUTHORIZATION.

12 (D) A LIMITED LIABILITY PARTNERSHIP'S INDEBTEDNESS TO A PARTNER
13 INCURRED BY REASON OF AN OBLIGATION TO MAKE A DISTRIBUTION IN
14 ACCORDANCE WITH THIS SECTION IS AT PARITY WITH THE LIMITED LIABILITY
15 PARTNERSHIP'S INDEBTEDNESS TO ITS GENERAL, UNSECURED CREDITORS, EXCEPT
16 TO THE EXTENT SUBORDINATED BY AGREEMENT.

17 (E) (1) IF TERMS OF THE INDEBTEDNESS PROVIDE THAT PAYMENT OF
18 PRINCIPAL AND INTEREST IS TO BE MADE ONLY IF, AND TO THE EXTENT THAT,
19 PAYMENT OF A DISTRIBUTION TO PARTNERS COULD THEN BE MADE UNDER THIS
20 SECTION, INDEBTEDNESS OF A LIMITED LIABILITY PARTNERSHIP, INCLUDING
21 INDEBTEDNESS ISSUED AS A DISTRIBUTION, IS NOT A LIABILITY FOR PURPOSES OF
22 DETERMINATIONS MADE UNDER SUBSECTION (B) OF THIS SECTION.

23 (2) IF THE INDEBTEDNESS IS ISSUED AS A DISTRIBUTION, EACH
24 PAYMENT OF PRINCIPAL OR INTEREST ON THE INDEBTEDNESS IS TREATED AS A
25 DISTRIBUTION, THE EFFECT OF WHICH IS MEASURED ON THE DATE THE PAYMENT
26 IS ACTUALLY MADE.

27 SECTION 9-1007. FAILURE TO PAY TAXES OR REQUIRED CONTRIBUTIONS;
28 PROCLAMATION.

29 (A) (1) EXCEPT WITH RESPECT TO A TAX COLLECTABLE LOCALLY,
30 IMMEDIATELY AFTER SEPTEMBER 30 OF EACH YEAR, THE STATE COMPTROLLER
31 SHALL CERTIFY TO THE DEPARTMENT A LIST OF EVERY MARYLAND LIMITED
32 LIABILITY PARTNERSHIP THAT HAS NOT PAID A TAX DUE BEFORE OCTOBER 1 OF
33 THE YEAR AFTER THE TAX BECAME DUE.

34 (2) WHEN THE COMPTROLLER CERTIFIES THE LIST TO THE
35 DEPARTMENT, THE COMPTROLLER SHALL MAIL TO EACH LISTED LIMITED
36 LIABILITY PARTNERSHIP, AT ITS ADDRESS AS IT APPEARS ON THE COMPTROLLER'S
37 RECORDS, A NOTICE THAT ITS RIGHT TO DO BUSINESS IN MARYLAND AND THE
38 RIGHT TO THE USE OF ITS NAME WILL BE FORFEITED UNLESS ALL TAXES, INTEREST,
39 AND PENALTIES DUE BY IT ARE PAID.

40 (3) THE MAILING OF THE NOTICE IS SUFFICIENT, AND THE FAILURE OF
41 ANY LIMITED LIABILITY PARTNERSHIP TO RECEIVE THE NOTICE MAILED TO IT

41

1 DOES NOT AFFECT THE FORFEITURE OF ITS RIGHT TO DO BUSINESS IN MARYLAND
2 AND THE RIGHT TO THE USE OF ITS NAME.

3 (B) (1) IMMEDIATELY AFTER SEPTEMBER 30 OF EACH YEAR, THE
4 SECRETARY OF ECONOMIC AND EMPLOYMENT DEVELOPMENT SHALL CERTIFY TO
5 THE DEPARTMENT A LIST OF EVERY MARYLAND LIMITED LIABILITY PARTNERSHIP
6 THAT HAS NOT PAID AN UNEMPLOYMENT INSURANCE CONTRIBUTION OR MADE A
7 REIMBURSEMENT PAYMENT DUE BEFORE OCTOBER 1 OF THE YEAR AFTER THE
8 CONTRIBUTION OR PAYMENT BECAME DUE.

9 (2) WHEN THE SECRETARY CERTIFIES THE LIST TO THE DEPARTMENT,
10 THE SECRETARY SHALL MAIL TO EACH LISTED LIMITED LIABILITY PARTNERSHIP,
11 AT ITS ADDRESS AS IT APPEARS ON THE SECRETARY'S RECORDS, A NOTICE THAT ITS
12 RIGHT TO DO BUSINESS IN MARYLAND AND THE RIGHT TO THE USE OF ITS NAME
13 WILL BE FORFEITED UNLESS ALL CONTRIBUTIONS, REIMBURSEMENT PAYMENTS,
14 INTEREST, AND PENALTIES DUE BY THE LIMITED LIABILITY PARTNERSHIP ARE
15 PAID.

16 (3) THE MAILING OF THE NOTICE IS SUFFICIENT, AND THE FAILURE OF
17 ANY LIMITED LIABILITY PARTNERSHIP TO RECEIVE THE NOTICE MAILED TO IT
18 DOES NOT AFFECT THE FORFEITURE OF ITS RIGHT TO DO BUSINESS IN MARYLAND
19 AND THE RIGHT TO THE USE OF ITS NAME.

20 (C) IMMEDIATELY AFTER SEPTEMBER 30 OF EACH YEAR, THE DEPARTMENT
21 SHALL CERTIFY A LIST OF EVERY MARYLAND LIMITED LIABILITY PARTNERSHIP
22 THAT HAS NOT FILED AN ANNUAL REPORT WITH THE DEPARTMENT AS REQUIRED
23 BY LAW OR HAS NOT PAID A TAX BEFORE OCTOBER 1 OF THE YEAR AFTER THE
24 REPORT WAS REQUIRED TO BE FILED OR THE TAXES WERE DUE.

25 (D) AFTER THE LISTS ARE CERTIFIED, THE DEPARTMENT SHALL ISSUE A
26 PROCLAMATION DECLARING THAT THE RIGHT TO DO BUSINESS IN MARYLAND AND
27 THE RIGHT TO THE USE OF THE NAME FOR EACH LIMITED LIABILITY PARTNERSHIP
28 IS FORFEITED AS OF THE DATE OF THE PROCLAMATION, WITHOUT PROCEEDINGS
29 OF ANY KIND EITHER AT LAW OR IN EQUITY.

30 SECTION 9-1008. NOTICE OF PROCLAMATION; REINSTATEMENT UPON PAYMENT.

31 (A) WITHIN 10 DAYS AFTER THE ISSUANCE OF THE PROCLAMATION, THE
32 DEPARTMENT SHALL MAIL NOTICE OF THE PROCLAMATION TO EACH LIMITED
33 LIABILITY PARTNERSHIP NAMED IN IT. THE NOTICE SHALL BE ADDRESSED TO THE
34 LIMITED LIABILITY PARTNERSHIP AT ITS MAILING ADDRESS ON FILE WITH THE
35 DEPARTMENT OR, IF NONE, AT ANY OTHER ADDRESS APPEARING ON THE RECORDS
36 OF THE DEPARTMENT.

37 (B) A LIMITED LIABILITY PARTNERSHIP THAT PAYS ALL TAXES,
38 UNEMPLOYMENT INSURANCE CONTRIBUTIONS, REIMBURSEMENT PAYMENTS,
39 INTEREST, AND PENALTIES DUE, FILES THE ANNUAL REPORT DUE, OR BOTH, AS THE
40 CASE MAY BE, WITHIN 60 DAYS AFTER THE ISSUANCE OF THE PROCLAMATION
41 SHALL HAVE ITS RIGHT TO DO BUSINESS IN MARYLAND AND THE RIGHT TO THE USE
42 OF ITS NAME REINSTATED AS OF THE DATE OF FORFEITURE.

1 9-1009. CORRECTIVE PROCLAMATION.

2 (A) IF THE DEPARTMENT IS SATISFIED THAT A LIMITED LIABILITY
3 PARTNERSHIP NAMED IN THE PROCLAMATION HAS NOT FAILED TO PAY THE TAX,
4 UNEMPLOYMENT INSURANCE CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS,
5 OR FILE THE REPORT WITHIN THE PERIOD SPECIFIED IN § 9-1006 OF THIS SUBTITLE,
6 OR THAT IT HAS BEEN MISTAKENLY REPORTED TO THE DEPARTMENT BY THE
7 STATE COMPTROLLER OR THE SECRETARY OF ECONOMIC AND EMPLOYMENT
8 DEVELOPMENT, THE DEPARTMENT MAY CORRECT THE MISTAKE BY FILING ITS
9 PROCLAMATION TO THAT EFFECT IN ITS RECORDS.

10 (B) THE EFFECT OF A PROCLAMATION CORRECTING A MISTAKE IS TO
11 RESTORE THE RIGHT TO DO BUSINESS IN MARYLAND AND THE RIGHT TO THE USE
12 OF THE NAME OF THE LIMITED LIABILITY PARTNERSHIP AS IF THE RIGHT TO DO
13 BUSINESS IN MARYLAND AND THE RIGHT TO THE USE OF THE NAME HAD AT ALL
14 TIMES REMAINED IN FULL FORCE AND EFFECT.

15 9-1010. EFFECT ON OTHER LAWS.

16 THIS SUBTITLE DOES NOT REPEAL, SUPERSEDE, OR IN ANY MANNER AFFECT
17 ANY REMEDY OR PROVISION OF LAW:

18 (1) FOR THE COLLECTION OF TAXES, UNEMPLOYMENT INSURANCE
19 CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS AND THE INTEREST AND
20 PENALTIES DUE ON THEM; OR

21 (2) TO COMPEL THE FILING OF ANNUAL REPORTS.

22 9-1011. ARTICLES OF REINSTATEMENT -- FILING.

23 THE AUTHORITY TO DO BUSINESS IN MARYLAND OF ANY LIMITED LIABILITY
24 PARTNERSHIP THAT IS FORFEITED FOR NONPAYMENT OF TAXES, UNEMPLOYMENT
25 INSURANCE CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS OR FAILURE TO FILE
26 AN ANNUAL REPORT MAY BE REINSTATED BY FILING A CERTIFICATE OF
27 REINSTATEMENT WITH THE DEPARTMENT.

28 9-1012. SAME -- CONTENTS.

29 (A) A CERTIFICATE OF REINSTATEMENT SHALL INCLUDE:

30 (1) THE NAME OF THE LIMITED LIABILITY PARTNERSHIP AT THE TIME
31 ITS RIGHT TO DO BUSINESS IN MARYLAND WAS FORFEITED;

32 (2) THE NAME THAT THE LIMITED LIABILITY PARTNERSHIP WILL USE
33 AFTER REINSTATEMENT, WHICH SHALL COMPLY WITH THE PROVISIONS OF THIS
34 ARTICLE WITH RESPECT TO LIMITED LIABILITY PARTNERSHIP NAMES;

35 (3) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE LIMITED
36 LIABILITY PARTNERSHIP IN THIS STATE IF DIFFERENT FROM ITS PRINCIPAL OFFICE
37 IN THIS STATE AT THE TIME THE RIGHT TO DO BUSINESS IN MARYLAND WAS
38 FORFEITED; AND

39 (4) THE NAME AND ADDRESS OF THE RESIDENT AGENT OF THE
40 LIMITED LIABILITY PARTNERSHIP.

43

1 (B) A CERTIFICATE OF REINSTATEMENT SHALL BE EXECUTED BY A PERSON
2 AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE SUCH A
3 CERTIFICATE.

4 SECTION 9-1013. CONDITIONS OF ACCEPTANCE.

5 THE DEPARTMENT MAY NOT ACCEPT A CERTIFICATE OF REINSTATEMENT FOR
6 RECORD UNLESS:

7 (1) ALL ANNUAL REPORTS REQUIRED TO BE FILED BY THE LIMITED
8 LIABILITY PARTNERSHIP OR WHICH WOULD HAVE BEEN REQUIRED IF THE RIGHT
9 TO DO BUSINESS IN MARYLAND HAD NOT BEEN FORFEITED ARE FILED; AND

10 (2) UNEMPLOYMENT INSURANCE CONTRIBUTIONS, REIMBURSEMENT
11 PAYMENTS, ALL STATE AND LOCAL TAXES, EXCEPT TAXES ON REAL ESTATE, AND
12 ALL INTEREST AND PENALTIES DUE BY THE LIMITED LIABILITY PARTNERSHIP OR
13 WHICH WOULD HAVE BECOME DUE IF THE RIGHT TO DO BUSINESS HAD NOT BEEN
14 FORFEITED ARE PAID, WHETHER OR NOT BARRED BY LIMITATIONS.

15 9-1014. SAME -- ACCEPTANCE AS EVIDENCE OF COMPLIANCE.

16 EXCEPT IN A PROCEEDING BY THE STATE OR ANY OF ITS POLITICAL
17 SUBDIVISIONS, THE ACCEPTANCE OF A CERTIFICATE OF REINSTATEMENT FOR
18 RECORD BY THE DEPARTMENT IS CONCLUSIVE EVIDENCE OF:

19 (1) THE PAYMENT OF ALL FEES, TAXES, UNEMPLOYMENT INSURANCE
20 CONTRIBUTIONS, AND REIMBURSEMENT PAYMENTS REQUIRED TO BE PAID;

21 (2) THE FILING OF ALL REPORTS REQUIRED TO BE FILED; AND

22 (3) THE REINSTATEMENT OF THE RIGHT TO DO BUSINESS IN
23 MARYLAND OF THE LIMITED LIABILITY PARTNERSHIP.

24 9-1015. PENALTIES FOR TRANSACTING BUSINESS.

25 (A) ANY PERSON THAT TRANSACTS BUSINESS IN THE NAME OR FOR THE
26 ACCOUNT OF A LIMITED LIABILITY PARTNERSHIP KNOWING THAT ITS RIGHT TO DO
27 BUSINESS IN MARYLAND HAS BEEN FORFEITED AND HAS NOT BEEN REINSTATED IS
28 GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT
29 MORE THAN \$ 500.

30 (B) A PROSECUTION FOR VIOLATION OF THE PROVISIONS OF THIS SECTION
31 MAY NOT BE INSTITUTED AFTER THE DATE THE CERTIFICATE OF REINSTATEMENT
32 OF THE LIMITED LIABILITY PARTNERSHIP IS FILED.

33 9-1016. NO BAR TO VALID ACTS OR DEFENSE OF SUIT.

34 THE FORFEITURE OF THE RIGHT TO DO BUSINESS IN MARYLAND AND THE
35 RIGHT TO THE USE OF THE NAME OF THE LIMITED LIABILITY PARTNERSHIP UNDER
36 THIS TITLE DOES NOT:

37 (1) IMPAIR THE VALIDITY OF A CONTRACT OR ACT OF THE LIMITED
38 LIABILITY PARTNERSHIP ENTERED INTO OR DONE EITHER BEFORE OR AFTER THE

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1 FORFEITURE, OR PREVENT THE LIMITED LIABILITY PARTNERSHIP FROM
2 DEFENDING ANY ACTION, SUIT, OR PROCEEDING IN A COURT OF THIS STATE; AND

3 (2) CAUSE A PARTNER OF A LIMITED LIABILITY PARTNERSHIP TO HAVE
4 PERSONAL LIABILITY FOR ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF OR
5 CHARGEABLE TO THE PARTNERSHIP OR ANOTHER PARTNER, EXCEPT TO THE
6 EXTENT OTHERWISE PROVIDED UNDER § 9-306 OF THIS TITLE.

7 SUBTITLE 11. FOREIGN LIMITED LIABILITY PARTNERSHIPS.

8 9-1101. REGISTRATION.

9 (A) BEFORE DOING ANY INTERSTATE, INTRASTATE, OR FOREIGN BUSINESS
10 IN THIS STATE, A FOREIGN LIMITED LIABILITY PARTNERSHIP SHALL REGISTER
11 WITH THE DEPARTMENT.

12 (B) IN ORDER TO REGISTER, A FOREIGN LIMITED LIABILITY PARTNERSHIP
13 SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION FOR REGISTRATION AS A
14 FOREIGN LIMITED LIABILITY PARTNERSHIP EXECUTED BY AN AUTHORIZED
15 PERSON AND SETTING FORTH:

16 (1) THE NAME OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP AND,
17 IF DIFFERENT, THE NAME UNDER WHICH IT PROPOSES TO REGISTER AND DO
18 BUSINESS IN THIS STATE;

19 (2) THE STATE UNDER WHOSE LAWS IT WAS FORMED AND THE DATE OF
20 ITS FORMATION;

21 (3) THE GENERAL CHARACTER OF THE BUSINESS IT PROPOSES TO
22 TRANSACT IN THIS STATE;

23 (4) THE NAME AND ADDRESS OF ITS RESIDENT AGENT IN THIS STATE;

24 (5) A STATEMENT THAT THE DEPARTMENT IS APPOINTED AS THE
25 RESIDENT AGENT OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP IF NO
26 RESIDENT AGENT HAS BEEN APPOINTED UNDER PARAGRAPH (4) OF THIS
27 SUBSECTION OR, IF APPOINTED, THE RESIDENT AGENT'S AUTHORITY HAS BEEN
28 REVOKED OR IF THE AGENT CANNOT BE FOUND OR SERVED WITH THE EXERCISE
29 OF REASONABLE DILIGENCE; AND

30 (6) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED IN
31 THE STATE OF ITS ORGANIZATION BY THE LAWS OF THAT STATE OR, IF NOT SO
32 REQUIRED, OF THE PRINCIPAL OFFICE OF THE FOREIGN LIMITED LIABILITY
33 PARTNERSHIP.

34 9-1102. ISSUANCE OF REGISTRATION.

35 IF THE DEPARTMENT FINDS THAT AN APPLICATION FOR REGISTRATION MEETS
36 THE REQUIREMENTS OF THIS SUBTITLE AND ALL REQUIRED FEES HAVE BEEN PAID,
37 IT SHALL:

38 (1) ENDORSE ON THE APPLICATION THE DATE AND TIME OF ITS
39 ACCEPTANCE FOR RECORD;

45

1 (2) RECORD PROMPTLY THE DOCUMENT;

2 (3) ISSUE A CERTIFICATE OF REGISTRATION TO DO BUSINESS IN THIS
3 STATE; AND

4 (4) RETURN THE CERTIFICATE OF REGISTRATION TO THE PERSON WHO
5 FILED THE APPLICATION OR A REPRESENTATIVE OF THE PERSON WHO FILED THE
6 APPLICATION.

7 9-1103. NAME.

8 A FOREIGN LIMITED LIABILITY PARTNERSHIP MAY REGISTER WITH THE
9 DEPARTMENT UNDER ANY NAME, WHETHER OR NOT IT IS THE NAME UNDER WHICH
10 IT IS REGISTERED IN ITS STATE OF ORGANIZATION, THAT COULD BE REGISTERED
11 BY A DOMESTIC LIMITED LIABILITY PARTNERSHIP.

12 9-1104. CHANGES AND AMENDMENTS.

13 IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A FOREIGN
14 LIMITED LIABILITY PARTNERSHIP IS FALSE WHEN MADE OR ANY ARRANGEMENTS
15 OR OTHER FACTS DESCRIBED HAVE CHANGED MAKING THE APPLICATION
16 INACCURATE IN ANY RESPECT, THE FOREIGN LIMITED LIABILITY PARTNERSHIP
17 SHALL PROMPTLY FILE WITH THE DEPARTMENT A CERTIFICATE, EXECUTED BY AN
18 AUTHORIZED PERSON, CORRECTING THE STATEMENT.

19 9-1105. CANCELLATION OF REGISTRATION.

20 (A) A FOREIGN LIMITED LIABILITY PARTNERSHIP MAY CANCEL ITS
21 REGISTRATION BY FILING WITH THE DEPARTMENT A CERTIFICATE OF
22 CANCELLATION EXECUTED BY AN AUTHORIZED PERSON.

23 (B) THE FILING OF A CERTIFICATE OF CANCELLATION DOES NOT TERMINATE
24 THE AUTHORITY OF THE DEPARTMENT TO ACCEPT SERVICE OF PROCESS ON THE
25 FOREIGN LIMITED LIABILITY PARTNERSHIP WITH RESPECT TO CAUSES OF ACTION
26 ARISING OUT OF DOING BUSINESS IN THIS STATE.

27 9-1106. DOING BUSINESS WITHOUT REGISTRATION.

28 (A) IF A FOREIGN LIMITED LIABILITY PARTNERSHIP IS DOING OR HAS DONE
29 ANY INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT
30 COMPLYING WITH THE REQUIREMENTS OF THIS SUBTITLE, THE FOREIGN LIMITED
31 LIABILITY PARTNERSHIP AND ANY PERSON CLAIMING UNDER IT MAY NOT
32 MAINTAIN SUIT IN ANY COURT OF THIS STATE, UNLESS THE LIMITED LIABILITY
33 PARTNERSHIP SHOWS TO THE SATISFACTION OF THE COURT THAT:

34 (1) THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR THE PERSON
35 CLAIMING UNDER IT HAS PAID THE PENALTY SPECIFIED IN SUBSECTION (D) (1) OF
36 THIS SECTION; AND

37 (2) (I) THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR A
38 SUCCESSOR TO IT HAS COMPLIED WITH THE REQUIREMENTS OF THIS SUBTITLE; OR

1 (II) THE FOREIGN LIMITED LIABILITY PARTNERSHIP AND ANY
2 FOREIGN LIMITED LIABILITY PARTNERSHIP SUCCESSOR TO IT ARE NO LONGER
3 DOING INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE.

4 (B) THE FAILURE OF A FOREIGN LIMITED LIABILITY PARTNERSHIP TO
5 REGISTER IN THIS STATE DOES NOT IMPAIR THE VALIDITY OF A CONTRACT OR ACT
6 OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR PREVENT THE FOREIGN
7 LIMITED LIABILITY PARTNERSHIP FROM DEFENDING ANY ACTION, SUIT, OR
8 PROCEEDING IN A COURT OF THIS STATE.

9 (C) A FOREIGN LIMITED LIABILITY PARTNERSHIP, BY DOING BUSINESS IN
10 THIS STATE WITHOUT REGISTRATION, APPOINTS THE DEPARTMENT AS ITS AGENT
11 FOR SERVICE OF PROCESS WITH RESPECT TO CAUSES OF ACTION ARISING OUT OF
12 DOING BUSINESS IN THIS STATE.

13 (D) (1) (I) IF A FOREIGN LIMITED LIABILITY PARTNERSHIP DOES ANY
14 INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT
15 REGISTERING, THE DEPARTMENT SHALL IMPOSE A PENALTY OF \$200 ON THE
16 LIMITED LIABILITY PARTNERSHIP.

17 (II) THE PENALTY UNDER THIS SUBSECTION SHALL BE COLLECTED
18 AND MAY BE REDUCED OR ABATED UNDER § 14-704 OF THE TAX - PROPERTY
19 ARTICLE.

20 (2) EACH MEMBER OF A FOREIGN LIMITED LIABILITY PARTNERSHIP
21 THAT DOES INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE
22 WITHOUT REGISTERING, AND EACH AGENT OF THE FOREIGN LIMITED LIABILITY
23 PARTNERSHIP WHO TRANSACTS INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS
24 IN THIS STATE FOR IT IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS
25 SUBJECT TO A FINE OF NOT MORE THAN \$1,000.

26 9-1107. ACTION OF ATTORNEY GENERAL.

27 THE ATTORNEY GENERAL MAY BRING AN ACTION TO RESTRAIN A FOREIGN
28 LIMITED LIABILITY PARTNERSHIP FROM DOING BUSINESS IN THIS STATE IN
29 VIOLATION OF THIS SUBTITLE.

30 9-1108. DOING BUSINESS.

31 (A) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY NOT CONSTITUTE
32 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, THE
33 FOLLOWING ACTIVITIES OF A FOREIGN LIMITED LIABILITY PARTNERSHIP DO NOT
34 CONSTITUTE DOING BUSINESS IN THIS STATE:

35 (1) MAINTAINING, DEFENDING, OR SETTLING AN ACTION, SUIT, CLAIM,
36 DISPUTE, OR ADMINISTRATIVE OR ARBITRATION PROCEEDING;

37 (2) HOLDING MEETINGS OF ITS PARTNERS OR AGENTS OR CARRYING
38 ON OTHER ACTIVITIES THAT CONCERN ITS INTERNAL AFFAIRS;

39 (3) MAINTAINING BANK ACCOUNTS;

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1 (4) CONDUCTING AN ISOLATED TRANSACTION NOT IN THE COURSE OF
2 A NUMBER OF SIMILAR TRANSACTIONS;

3 (5) FORECLOSING MORTGAGES AND DEEDS OF TRUST ON PROPERTY IN
4 THIS STATE;

5 (6) AS A RESULT OF DEFAULT UNDER A MORTGAGE OR DEED OF
6 TRUST, ACQUIRING TITLE TO PROPERTY IN THIS STATE BY FORECLOSURE, DEED IN
7 LIEU OF FORECLOSURE, OR OTHERWISE;

8 (7) HOLDING, PROTECTING, RENTING, MAINTAINING, AND OPERATING
9 PROPERTY IN THIS STATE SO ACQUIRED; OR

10 (8) SELLING OR TRANSFERRING TITLE TO PROPERTY IN THIS STATE SO
11 ACQUIRED TO ANY PERSON, INCLUDING THE FEDERAL HOUSING ADMINISTRATION
12 OR THE VETERANS ADMINISTRATION.

13 (B) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY CONSTITUTE
14 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE ANY
15 FOREIGN LIMITED LIABILITY PARTNERSHIP WHICH OWNS INCOME PRODUCING
16 REAL OR TANGIBLE PERSONAL PROPERTY IN THIS STATE, OTHER THAN PROPERTY
17 EXEMPTED BY SUBSECTION (A) OF THIS SECTION, SHALL BE CONSIDERED TO BE
18 DOING BUSINESS IN THIS STATE.

19 9-1109. ASSENT TO STATE LAWS.

20 BY DOING INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE, A
21 FOREIGN LIMITED LIABILITY PARTNERSHIP ASSENTS TO THE LAWS OF THIS STATE.

22 9-1110. COMPLIANCE WITH SUBTITLE IS NOT CONSENT TO SUIT.

23 WITH RESPECT TO A CAUSE OF ACTION ON WHICH A FOREIGN LIMITED
24 LIABILITY PARTNERSHIP WOULD NOT OTHERWISE BE SUBJECT TO SUIT IN THIS
25 STATE, COMPLIANCE WITH THIS SUBTITLE:

26 (1) DOES NOT OF ITSELF RENDER A FOREIGN LIMITED LIABILITY
27 PARTNERSHIP SUBJECT TO SUIT IN THIS STATE; AND

28 (2) IS NOT CONSIDERED AS CONSENT BY IT TO BE SUED IN THIS STATE.

29 9-1111. FORFEITURE OF RIGHT TO DO BUSINESS.

30 (A) THE DEPARTMENT MAY FORFEIT THE RIGHT OF ANY FOREIGN LIMITED
31 LIABILITY PARTNERSHIP TO DO BUSINESS IN THIS STATE IF THE LIMITED LIABILITY
32 PARTNERSHIP FAILS TO FILE WITH THE DEPARTMENT ANY REPORT OR FAILS TO
33 PAY ANY LATE FILING PENALTIES REQUIRED BY LAW:

34 (1) WITHIN THE TIME REQUIRED BY LAW; AND

35 (2) THEREAFTER, WITHIN 30 DAYS AFTER THE DEPARTMENT MAKES A
36 WRITTEN DEMAND FOR THE DELINQUENT REPORT OR LATE FILING PENALTIES.

37 (B) UNLESS THE DEPARTMENT EXCUSES A REASONABLE DELAY FOR GOOD
38 CAUSE SHOWN, THE FORFEITURE IS EFFECTIVE 15 DAYS AFTER WRITTEN NOTICE OF

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1 FORFEITURE FROM THE DEPARTMENT, WITHOUT PROCEEDINGS OF ANY KIND
2 EITHER AT LAW OR IN EQUITY.

3 (C) THE DEMAND FOR A DELINQUENT REPORT OR LATE FILING PENALTIES
4 AND THE NOTICE OF FORFEITURE SHALL BE ADDRESSED TO THE LIMITED
5 LIABILITY PARTNERSHIP:

6 (1) AT ITS ADDRESS ON FILE WITH THE DEPARTMENT; OR

7 (2) IF IT HAS NO ADDRESS ON FILE WITH THE DEPARTMENT, IN CARE
8 OF THE SECRETARY OF STATE, OR CORRESPONDING OFFICIAL OF THE PLACE
9 WHERE IT WAS ORGANIZED OR IS EXISTING, IF KNOWN TO THE DEPARTMENT.

10 (D) ON FORFEITURE OF ITS RIGHT TO DO BUSINESS IN THIS STATE, THE
11 FOREIGN LIMITED LIABILITY PARTNERSHIP IS SUBJECT TO THE SAME RULES, LEGAL
12 PROVISIONS, AND SANCTIONS AS IF IT HAD NEVER QUALIFIED OR BEEN LICENSED
13 TO DO BUSINESS IN THIS STATE.

14 SUBTITLE 12. MISCELLANEOUS PROVISIONS.

15 9-1201. UNIFORMITY OF APPLICATION AND CONSTRUCTION.

16 THIS TITLE SHALL BE APPLIED AND CONSTRUED TO EFFECTUATE ITS
17 GENERAL PURPOSE TO MAKE UNIFORM THE LAW WITH RESPECT TO THE SUBJECT
18 OF THIS TITLE AMONG STATES ENACTING IT.

19 9-1202. SHORT TITLE.

20 THIS TITLE MAY BE CITED AS THE MARYLAND REVISED UNIFORM
21 PARTNERSHIP ACT.

22 9-1203. SEVERABILITY CLAUSE.

23 IF ANY PROVISION OF THIS TITLE OR ITS APPLICATION TO ANY PERSON OR
24 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER
25 PROVISIONS OR APPLICATIONS OF THIS TITLE WHICH CAN BE GIVEN EFFECT
26 WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE
27 PROVISIONS OF THIS TITLE ARE SEVERABLE.

28 9-1204. APPLICABILITY.

29 (A) BEFORE JANUARY 1, 2002, THIS TITLE GOVERNS ONLY A PARTNERSHIP
30 FORMED:

31 (1) AFTER OCTOBER 1, 1996, UNLESS THAT PARTNERSHIP IS
32 CONTINUING THE BUSINESS OF A DISSOLVED PARTNERSHIP UNDER § 9-601 OF THE
33 CORPORATIONS AND ASSOCIATIONS ARTICLE IN EFFECT IMMEDIATELY PRIOR TO
34 OCTOBER 1, 1996; OR

35 (2) BEFORE OCTOBER 1, 1996, THAT ELECTS, AS PROVIDED BY
36 SUBSECTION (C), TO BE GOVERNED BY THIS TITLE.

37 (B) AFTER DECEMBER 31, 2001, THIS TITLE GOVERNS ALL PARTNERSHIPS.

1 (C) BEFORE JANUARY 1, 2002, A PARTNERSHIP VOLUNTARILY MAY ELECT, IN
 2 THE MANNER PROVIDED IN ITS PARTNERSHIP AGREEMENT OR BY LAW FOR
 3 AMENDING THE PARTNERSHIP AGREEMENT, TO BE GOVERNED BY THIS TITLE. WITH
 4 RESPECT TO LIABILITIES OF THE PARTNERSHIP ARISING AFTER SUCH ELECTION,
 5 THE PROVISIONS OF THIS TITLE RELATING TO THE LIABILITY OF THE
 6 PARTNERSHIP'S PARTNERS TO THIRD PARTIES, OTHER THAN THOSE PROVISIONS
 7 DEALING WITH REGISTERED LIMITED LIABILITY PARTNERSHIPS, APPLY TO LIMIT
 8 THOSE PARTNERS' LIABILITY TO A THIRD PARTY WHO HAD DONE BUSINESS WITH
 9 THE PARTNERSHIP WITHIN 1 YEAR PRIOR TO THE PARTNERSHIP'S ELECTION TO BE
 10 GOVERNED BY THIS TITLE, ONLY IF THE THIRD PARTY KNOWS OR HAS RECEIVED A
 11 NOTIFICATION OF THE PARTNERSHIP'S ELECTION TO BE GOVERNED BY THIS TITLE
 12 BEFORE THE LIABILITY IS INCURRED.

13 9-1205. SAVINGS CLAUSE.

14 THIS TITLE DOES NOT AFFECT AN ACTION OR PROCEEDING COMMENCED OR
 15 RIGHT ACCRUED BEFORE THIS TITLE TAKES EFFECT.

16 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 17 read as follows:

18 **Article - Corporations and Associations**

19 1-101.

20 (p) "Person" includes an individual, corporation, business trust, estate, trust,
 21 partnership, LIMITED PARTNERSHIP, limited liability company, association, two or more
 22 persons having a joint or common interest, or any other legal or commercial entity.

23 1-203.

24 In addition to any organization and capitalization fee required under § 1-204 of this
 25 article, the Department shall collect the following fees:

26 (4) For each of the following documents recorded or filed the fee is \$50:

27 (I) Certificate of limited partnership, certificate of limited liability
 28 partnership, articles of organization of a limited liability company, including certificates
 29 of amendment and certificates of cancellation, certificates of reinstatement, and articles
 30 of reinstatement; AND

31 (II) ANY STATEMENT FILED BY A PARTNERSHIP UNDER TITLE 9 OF
 32 THIS ARTICLE.

33 (5) For issuing each of the following certificates, the fee is as indicated:

34 Type of Instrument	Special Fee
35 Certificate of status of a corporation, PARTNERSHIP, limited partnership, limited 36 liability partnership, or limited liability company of this State or of a foreign corporation, 37 FOREIGN PARTNERSHIP, foreign limited partnership, foreign limited liability 38 partnership, or foreign limited liability company.....	\$6

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1 Certified list of the charter papers of a corporation of this State or any certificates
2 of a limited partnership, limited liability partnership, or a limited liability company of this
3 State recorded or filed with the Department.....\$6

4 Certificate of compliance by a foreign corporation, foreign limited partnership,
5 foreign limited liability partnership, or foreign limited liability company with
6 requirements of law in respect of qualification or registration.... \$6

7 Certificate of withdrawal of registration or qualification..... \$6

8 Certificate of any paper recorded or filed in Department's office...
. \$6

9 (8) For processing each of the following documents on an expedited basis,
10 the additional fee is as indicated:

11 Recording any document, including financing statements..... \$30

12 Certificate of status of a corporation, PARTNERSHIP, limited partnership, limited
13 liability partnership, or limited liability company, or a name reservation..... \$9

14 A copy of any document recorded or filed with the Department or a corporate
15 abstract.....\$20

16 (9) THE DEPARTMENT SHALL RETAIN ALL OF THE FEES RECEIVED IN
17 RESPECT OF INSTRUMENTS FILED WITH THE DEPARTMENT BY OR ON BEHALF OF A
18 PARTNERSHIP AND A FOREIGN PARTNERSHIP UNDER PARAGRAPHS (4), (5), AND (8)
19 OF THIS SECTION. ALL REVENUES RETAINED BY THE DEPARTMENT UNDER THIS
20 PARAGRAPH SHALL BE CREDITED TO A CONTINUING NONLAPSING FUND THAT IS
21 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
22 SUBJECT TO THE APPROPRIATION PROCESS IN THE STATE BUDGET, THE
23 DEPARTMENT SHALL USE THE FUND FOR THE COSTS OF REVIEWING, PROCESSING
24 AND AUDITING INSTRUMENTS FILED BY OR ON BEHALF OF A PARTNERSHIP AND A
25 FOREIGN PARTNERSHIP UNDER PARAGRAPHS (4), (5), AND (8) OF THIS SECTION.

26 1-401.

27 (a) Service of process on the resident agent of a corporation, PARTNERSHIP,
28 limited partnership, limited liability partnership, or limited liability company, or any other
29 person binds the corporation, limited partnership, limited liability partnership, or limited
30 liability company, or other person in any action, suit, or proceeding which is pending,
31 filed, or instituted against it under the provisions of this article.

32 (b) (1) Any notice required by law to be served by personal service on a resident
33 agent or other agent or officer of any Maryland or foreign corporation, PARTNERSHIP,
34 limited partnership, limited liability partnership, or limited liability company required by
35 statute to have a resident agent in this State may be served on the corporation,
36 PARTNERSHIP, limited partnership, [or], limited liability partnership, or limited liability
37 company in the manner provided by the Maryland Rules relating to the service of process
38 on corporations.

39 (2) Service under the Maryland Rules is equivalent to personal service on a
40 resident agent or other agent or officer of a corporation, PARTNERSHIP, limited

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1 partnership, limited liability partnership, or limited liability company mentioned in
2 paragraph (1) of this subsection.

3 3-101.

4 (J) "DOMESTIC PARTNERSHIP" OR "PARTNERSHIP" MEANS A PARTNERSHIP
5 FORMED UNDER THE LAWS OF THE STATE.

6 (K) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER THE
7 LAWS OF ANY STATE, OTHER THAN THE STATE OF MARYLAND, OR UNDER THE
8 LAWS OF A FOREIGN COUNTRY.

9 3-102.

10 (a) A Maryland corporation having capital stock may:

11 (1) Consolidate with one or more other Maryland or foreign corporations
12 having capital stock to form a new consolidated corporation;

13 (2) Merge into another Maryland or foreign corporation having capital
14 stock, or have one or more such corporations merged into it;

15 (3) Merge into a Maryland or foreign business trust having transferable
16 units of beneficial interest, or have one or more such business trusts merge into it;

17 (4) Merge into a domestic or foreign limited partnership, or have one or
18 more domestic or foreign limited partnerships merged into it;

19 (5) Merge into a domestic or foreign limited liability company, or have 1 or
20 more domestic or foreign limited liability companies merged into it;

21 (6) MERGE INTO A DOMESTIC OR FOREIGN PARTNERSHIP, OR HAVE 1
22 OR MORE DOMESTIC OR FOREIGN PARTNERSHIPS MERGED INTO IT;

23 [(6)] (7) Participate in a share exchange either:

24 (i) As the successor; or

25 (ii) As the corporation the stock of which is to be acquired; or

26 [(7)] (8) Transfer its assets.

27 3-109.

28 (a) Articles of consolidation, merger, share exchange, or transfer shall contain the
29 terms and conditions of the transaction and the manner of carrying it into effect,
30 including:

31 (1) A statement:

32 (i) In a merger, consolidation, or share exchange, that each party to
33 the articles agrees to merge, to consolidate to form a new corporation, or to acquire stock
34 or have its stock acquired in a share exchange, as the case may be; or

35 (ii) In a transfer, that the transferor agrees to sell, lease, exchange, or
36 transfer all or substantially all of its property and assets;

52

1 (2) The name and place of incorporation or organization of:

2 (i) Each party to the articles; and

3 (ii) The successor corporation in a consolidation, merger, or share
4 exchange or the successor domestic PARTNERSHIP, limited partnership or limited liability
5 company in a merger;

6 (3) As to each foreign corporation:

7 (i) The date of its incorporation;

8 (ii) A statement whether it is incorporated under general law or by
9 special act and, if incorporated by special act, the chapter number and year of passage;
10 and

11 (iii) If the corporation is registered or qualified to do business in this
12 State, the date of its registration or qualification;

13 (4) As to each foreign business trust:

14 (i) The date of its organization; and

15 (ii) If the business trust is registered or qualified to do business in this
16 State, the date of its registration or qualification;

17 (5) As to each foreign PARTNERSHIP, limited partnership or limited liability
18 company:

19 (i) The date of its formation; and

20 (ii) If the foreign PARTNERSHIP, limited partnership or limited
21 liability company is registered or qualified to do business in this State, the date of its
22 registration or qualification;

23 (6) The name, address, and principal place of business of the transferee in a
24 transfer of assets;

25 (7) Each county in this State where:

26 (i) Each corporation, PARTNERSHIP, limited partnership, limited
27 liability company, and business trust party to the articles has its principal office; and

28 (ii) Any of the parties in a consolidation, merger, or transfer, other
29 than the successor, owns an interest in land;

30 (8) If the successor is a foreign corporation, foreign PARTNERSHIP,
31 limited partnership, limited liability company, or a foreign business trust:

32 (i) The location of its principal office in the place where it is
33 organized; and

34 (ii) The name and address of its resident agent in this State;

35 (9) A statement that the terms and conditions of the transaction set forth in
36 the articles were advised, authorized, and approved by each corporation, PARTNERSHIP,

53

1 limited partnership, limited liability company, or business trust party to the articles in the
2 manner and by the vote required by its charter or declaration of trust and the laws of the
3 place where it is organized, and a statement of the manner of approval; and

4 (10) Every other provision necessary to effect the consolidation, merger,
5 share exchange, or transfer of assets.

6 (c) In addition to the requirements of subsection (a) of this section, articles of
7 merger shall include:

8 (1) Any amendment to the charter, certificate of limited partnership,
9 articles of organization of a limited liability company, or declaration of trust of the
10 successor to be effected as part of the merger;

11 (2) As to each corporation party to the articles:

12 (i) The total number of shares of stock of all classes which the
13 corporation has authority to issue;

14 (ii) The number of shares of stock of each class;

15 (iii) The par value of the shares of stock of each class or a statement
16 that the shares are without par value; and

17 (iv) If there are any shares of stock with par value, the aggregate par
18 value of all the shares of all classes;

19 (3) As to each business trust party to the articles:

20 (i) The total number of shares of beneficial interest of all classes
21 which the business trust has authority to issue; and

22 (ii) The number of shares of beneficial interest of each class;

23 (4) As to each limited partnership party to the articles:

24 (i) The percentages of partnership interest of each class of
25 partnership interest of the limited partnership; and

26 (ii) The class of partners and the respective percentage of partnership
27 interests in each class of partnership interest;

28 (5) As to each limited liability company party to the articles:

29 (i) The percentages of membership interest of each class of
30 membership interest of the limited liability company; and

31 (ii) The class of members and the respective percentage of
32 membership interests in each class of membership interest;

33 (6) AS TO EACH PARTNERSHIP PARTY TO THE ARTICLES:

34 (I) THE PERCENTAGES OF PARTNERSHIP INTEREST OF EACH
35 CLASS OF PARTNERSHIP INTEREST OF THE PARTNERSHIP; AND

1 (II) THE CLASS OF PARTNERS AND THE RESPECTIVE PERCENTAGE
2 OF PARTNERSHIP INTERESTS IN EACH CLASS OF PARTNERSHIP INTEREST;

3 [(6)] (7) If the charter, certificate of limited partnership, articles of
4 organization of a limited liability company, or declaration of trust of the successor is
5 amended in a manner which changes any of the information required by paragraphs (2)
6 through (5) of this subsection, that information as it was both immediately before and as
7 changed by the merger; and

8 [(7)] (8) The manner and basis of converting or exchanging issued stock of
9 the merging corporations, outstanding partnership interest of the merging PARTNERSHIP
10 OR limited partnership, or shares of beneficial interest of the merging business trusts into
11 different stock of a corporation, partnership interest of a PARTNERSHIP OR limited
12 partnership, outstanding membership interest of a limited liability company, shares of
13 beneficial interest of a business trust, or other consideration, and the treatment of any
14 issued stock of the merging corporations, partnership interest of the merging
15 PARTNERSHIP OR limited partnerships, membership interest of the merging limited
16 liability company, or shares of beneficial interest of the merging business trusts not to be
17 converted or exchanged.

18 3-111.

19 (b) In addition to any other provision of law with respect to recording, the
20 Department shall send one certificate each to the clerk of the circuit court for each
21 county where the articles show that a merging corporation, PARTNERSHIP, limited
22 partnership, limited liability company, or business trust other than the successor, a
23 consolidating corporation, or a transferor corporation owns an interest in land.

24 3-112.

25 (a) In order to keep the land assessment records current in each county, the
26 Department shall require a corporation, limited partnership, limited liability company, or
27 business trust to submit with the articles a property certificate for each county where a
28 merging corporation, PARTNERSHIP, limited partnership, limited liability company, or
29 business trust other than the successor, a consolidating corporation, or a transferor
30 corporation owns an interest in land.

31 (b) A property certificate is not required with respect to any property in which the
32 only interest owned by the merging corporation, PARTNERSHIP, limited partnership,
33 limited liability company, or business trust or by the consolidating or transferor
34 corporation is a security interest.

35 3-114.

36 (a) Consummation of a consolidation or merger has the effects provided in this
37 section.

38 (b) The separate existence of each corporation, PARTNERSHIP, limited
39 partnership, limited liability company, or business trust party to the articles, except the
40 successor, ceases.

55

1 (b-1) The shares of stock of each corporation party to the articles which are to be
2 converted or exchanged under the terms of the articles cease to exist, subject to the rights
3 of an objecting stockholder under Subtitle 2 of this article.

4 (c) In addition to any other purposes and powers set forth in the articles, if the
5 articles provide, the successor has the purposes and powers of each corporation party to
6 the articles.

7 (d) (1) The assets of each corporation, PARTNERSHIP, limited partnership,
8 limited liability company, and business trust party to the articles, including any legacies
9 which it would have been capable of taking, transfer to, vest in, and devolve on the
10 successor without further act or deed.

11 (2) Confirmatory deeds, assignments, or similar instruments to evidence the
12 transfer may be executed and delivered at any time in the name of the transferring
13 corporation, PARTNERSHIP, limited partnership, limited liability company, and business
14 trust:

15 (i) By its last acting officers, general partners, authorized persons, or
16 trustees; or

17 (ii) By the appropriate officers, general partners, authorized persons,
18 or trustees of the successor.

19 (e) (1) The successor is liable for all the debts and obligations of each
20 nonsurviving corporation, PARTNERSHIP, limited partnership, limited liability company,
21 and business trust. An existing claim, action, or proceeding pending by or against any
22 nonsurviving corporation, PARTNERSHIP, limited partnership, limited liability company,
23 or business trust may be prosecuted to judgment as if the consolidation or merger had not
24 taken place, or, on motion of the successor or any party, the successor may be substituted
25 as a party and the judgment against the nonsurviving corporation, PARTNERSHIP, limited
26 partnership, limited liability company, or business trust constitutes a lien on the property
27 of the successor.

28 (2) A consolidation or merger does not impair the rights of creditors or any
29 liens on the property of any corporation, PARTNERSHIP, limited partnership, limited
30 liability company, or business trust party to the articles.

31 (f) Unless the articles provide otherwise, until the first meeting of stockholders,
32 the board of directors of a Maryland corporation formed by consolidation has full power
33 to make, alter, and repeal bylaws which have the same status as bylaws adopted by the
34 stockholders.

35 4A-101.

36 (R) "PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER THE LAWS OF
37 THIS STATE, ANY OTHER STATE, OR UNDER THE LAWS OF A FOREIGN COUNTRY.

38 4A-701.

39 (a) Unless the operating agreement provides otherwise, a domestic limited
40 liability company may merge into 1 or more:

56

1 (1) Limited liability companies;

2 (2) PARTNERSHIPS;

3 ~~[(2)]~~ (3) Limited partnerships;

4 ~~[(3)]~~ (4) Corporations having capital stock; or

5 ~~[(4)]~~ (5) Business trusts having transferable units of beneficial interest.

6 (b) One or more limited liability companies, PARTNERSHIPS, limited
7 partnerships, corporations having capital stock, or business trusts having transferable
8 units of beneficial interest may merge into a domestic limited liability company.

9 4A-702.

10 (a) The proposed merger shall be approved in the manner provided by this
11 section.

12 (b) A corporation shall approve the merger under the provisions of §3-105 of this
13 article.

14 (c) A business trust shall approve the merger under the provisions of § 8-501.1 of
15 this article.

16 (D) A PARTNERSHIP SHALL APPROVE THE MERGER UNDER THE PROVISIONS
17 OF § 9-902 OF THIS ARTICLE.

18 ~~[(d)]~~ (E) A limited partnership shall approve the merger under the provisions of §
19 10-208 of this article.

20 ~~[(e)]~~ (F) A limited liability company shall approve the merger by the unanimous
21 consent of the members.

22 ~~[(f)]~~ (G) A foreign limited liability company party to the merger shall have the
23 merger advised, authorized, and approved in the manner and by the vote required by the
24 laws of the place where it is organized.

25 4A-703.

26 Articles of merger shall:

27 (1) Contain the provisions required by § 3-109 of this article and other
28 provisions permitted by that section;

29 (2) Be executed:

30 (i) In the case of a limited liability company, in the manner required
31 by § 4A-206 of this title;

32 (ii) In the case of a corporation or business trust, in the manner
33 required by Title 1 of this article; [and]

34 (iii) In the case of a limited partnership, in the manner required by
35 Title 10 of this article; and

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1 (IV) IN THE CASE OF A PARTNERSHIP, IN THE MANNER REQUIRED
2 BY TITLE 9 OF THIS ARTICLE; AND

3 (3) Be filed for record with the Department.

4 4A-704.

5 (a) Unless the articles of merger preclude the right to abandon the merger, a
6 proposed merger may be abandoned before the effective date of the articles by:

7 (1) Unanimous consent of the members of a limited liability company party
8 to the article;

9 (2) A MAJORITY OF THE PARTNERS OF A PARTNERSHIP;

10 [(2)] (3) A majority vote of the general partners and a majority in interest
11 of the limited partners, as defined in § 10-208 of this article, of any limited partnership
12 party to the articles;

13 [(3)] (4) A majority vote of the entire board of directors of a corporation
14 party to the articles; and

15 [(4)] (5) A majority vote of the entire board of trustees of a business trust
16 party to the articles.

17 (b) If the articles of merger have been filed with the Department, notice of the
18 abandonment shall be given promptly to the Department.

19 (c) (1) If the proposed merger is abandoned as provided in this section, no legal
20 liability arises under the articles of merger.

21 (2) An abandonment does not prejudice the rights of any person under any
22 other contract made by a limited liability company, PARTNERSHIP, limited partnership,
23 corporation or business trust party to the proposed articles of merger in connection with
24 the proposed merger.

25 4A-706.

26 (a) The Department shall prepare certificates of merger that specify:

27 (1) The name of each party to the articles of merger;

28 (2) The name of the successor and the location of its principal office in the
29 state or, if it has none, its principal place of business; and

30 (3) The time the articles of merger are accepted for record by the
31 Department.

32 (b) In addition to any other provision of law with respect to recording, the
33 Department shall send one certificate each to the clerk of the circuit court for each
34 county where the articles of merger show that a merging limited liability company,
35 PARTNERSHIP, limited partnership, corporation, or business trust other than the
36 successor owns an interest in land.

58

1 (c) On receipt of the certificate of merger, the clerk promptly shall record it with
2 the land records.

3 4A-707.

4 (a) The Department shall require a limited liability company, limited partnership,
5 PARTNERSHIP, corporation, or business trust to submit with the articles of merger a
6 property certificate for each county where a merging limited liability company,
7 PARTNERSHIP, limited partnership, corporation, or business trust other than the
8 successor owns an interest in land.

9 (b) The property certificate is not required with respect to any property in which
10 the only interest owned by the merging limited liability company, PARTNERSHIP, limited
11 partnership, corporation, or business trust is a security interest.

12 (c) The property certificate:

13 (1) Shall be in the form and number of copies that the Department requires;
14 and

15 (2) May include the certificate of the Department required by §4A-706 of
16 this subtitle.

17 (d) (1) The property certificate shall provide a deed reference or other
18 description sufficient to identify the property.

19 (2) The Department shall:

20 (i) Indicate on the property certificate the time the articles of merger
21 are accepted for record; and

22 (ii) Send a copy of the property certificate to the chief assessor of the
23 county where the property is located.

24 (e) A transfer, vesting, or devolution of title to the property is not invalidated or
25 otherwise affected by any error or defect in the property certificate, failure to file the
26 property certificate, or failure by the Department to act on the property certificate.

27 4A-709.

28 (a) A consummation of a merger has the effects provided in this section.

29 (b) The separate existence of each limited liability company, limited partnership,
30 PARTNERSHIP, corporation, or business trust party to the articles, except the successor,
31 ceases.

32 (c) The interest of each member of a limited liability company party to the articles
33 of merger that are to be converted or exchanged under the terms of the articles of merger
34 cease to exist, subject to the rights of an objecting member under § 4A-705 of this
35 subtitle.

36 (d) In addition to any other purposes and powers set forth in the articles of
37 merger, if the articles provide, the successor has the purpose and powers of each party to
38 the articles.

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1 (e) (1) The assets of each party to the articles of merger, including any legacies
2 that it would have been capable of taking, transfer to, vest in, and devolve upon the
3 successor without further act or deed.

4 (2) Confirmatory deeds, assignments, or similar instruments to evidence the
5 transfer may be executed and delivered at any time in the name of the nonsurviving party
6 to the articles of merger by its last acting authorized persons, general partners, officers,
7 trustees, or by the appropriate authorized persons, general partners, officers, or trustees,
8 or members of the successor.

9 (f) (1) (i) The successor is liable for all the debts and obligations of each
10 nonsurviving party to the articles of merger.

11 (ii) An existing claim, action, or proceeding pending by or against any
12 nonsurviving party to the articles of merger:

13 1. May be prosecuted to judgment as if the merger hadnot
14 taken place; or

15 2. On motion of the successor or any party, the successor may
16 be substituted as a party, and the judgment against the nonsurviving party to the articles
17 of merger shall constitute a judgment against the successor.

18 (2) A merger does not impair the rights of creditors or a lien on the property
19 of any limited liability company, PARTNERSHIP, limited partnership, corporation, or
20 business trust party to the articles of merger.

21 7-206.

22 (a) A foreign corporation that is qualified or registered to do business in this
23 State shall file an officially certified statement with the Department within 60 days after
24 the corporation:

25 (1) Merges into another corporation;

26 (2) Consolidates with another corporation;

27 (3) Dissolves; or

28 (4) Amends or supplements the instrument under which it was organized to
29 change the name of the corporation or terminate its existence.

30 (b) The officially certified statement shall:

31 (1) Be executed by the official of that place who has custody of the pertinent
32 record; and

33 (2) Include the action taken and the date the action was taken.

34 (c) (1) A representative of the successor corporation shall file with the
35 Department an affidavit indicating whether the corporation, PARTNERSHIP, limited
36 partnership, or limited liability company merging out of existence or consolidating owns
37 an interest in land in Maryland.

60

1 (2) The Department may not process a filing under this section until the
2 information required by this subsection and § 3-117 of this article is provided.

3 8-501.1.

4 (a) (1) In this section the following words have the meanings indicated.

5 (2) "Business trust" means an unincorporated trust or association, including
6 a Maryland real estate investment trust, a common-law trust, or a Massachusetts trust,
7 which is engaged in business and in which property is acquired, held, managed,
8 administered, controlled, invested, or disposed of for the benefit and profit of any person
9 who may become a holder of a transferable unit of beneficial interest in the trust.

10 (3) "Foreign business trust" means a business trust organized under the laws
11 of the United States, another state of the United States, or a territory, possession, or
12 district of the United States.

13 (4) "Maryland real estate investment trust" means a real estate investment
14 trust in compliance with the provisions of this title.

15 (5) "Domestic limited partnership" means a partnership formed by 2 or
16 more persons under the laws of the State and having one or more general partners and
17 one or more limited partners.

18 (6) "Foreign limited partnership" means a partnership formed under the
19 laws of any state other than the State of Maryland or under the laws of a foreign country
20 and having as partners one or more general partners and one or more limited partners.

21 (7) "Domestic limited liability company" means a limited liability company
22 formed under the laws of the state.

23 (8) "Foreign limited liability company" means a limited liability company
24 formed under the laws of any state other than the State of Maryland or under the laws of
25 a foreign country.

26 (9) "DOMESTIC PARTNERSHIP" OR "PARTNERSHIP" MEANS A
27 PARTNERSHIP FORMED UNDER THE LAWS OF THE STATE.

28 (10) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER
29 THE LAWS OF ANY STATE, OTHER THAN THE STATE OF MARYLAND, OR UNDER THE
30 LAWS OF A FOREIGN COUNTRY.

31 (b) Unless the declaration of trust provides otherwise, a Maryland real estate
32 investment trust may merge into a Maryland or foreign business trust, into a Maryland or
33 foreign corporation having capital stock, INTO A DOMESTIC OR FOREIGN
34 PARTNERSHIP, or into a domestic or foreign limited partnership or limited liability
35 company; or one or more such business trusts, such corporations, OR DOMESTIC OR
36 FOREIGN PARTNERSHIPS, domestic or foreign limited partnerships, or limited liability
37 companies may merge into it.

38 (c) A merger shall be approved in the manner provided by this section, except
39 that:

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1 (1) A foreign business trust, a Maryland business trust, other than a
2 Maryland real estate investment trust, a corporation, OR A DOMESTIC OR FOREIGN
3 PARTNERSHIP, or a domestic or foreign limited partnership party to the merger shall
4 have the merger advised, authorized, and approved in the manner and by the vote
5 required by its declaration of trust, charter, or partnership agreement and the laws of the
6 place where it is organized;

7 (2) (i) A foreign limited liability company party to the merger shall have
8 the merger advised, authorized, and approved in the manner and by the vote required by
9 the laws of the place where it is organized; and

10 (ii) A domestic limited liability shall have the merger approved in the
11 manner provided under § 4A-703 of this article; and

12 (3) A merger need be approved by a Maryland real estate investment trust
13 successor only by a majority of its entire board of trustees if:

14 (i) The merger does not reclassify or change its outstanding shares or
15 otherwise amend its declaration of trust; and

16 (ii) The number of shares to be issued or delivered in the merger is not
17 more than 15 percent of the number of its shares of the same class or series outstanding
18 immediately before the merger becomes effective.

19 (j) (1) The Department shall prepare certificates of merger which specify:

20 (i) The name of each party to the articles;

21 (ii) The name of the successor and the location of its principal office in
22 this State or, if it has none, its principal place of business; and

23 (iii) The time the articles are accepted for record by the Department.

24 (2) In addition to any other provision of law with respect to recording, the
25 Department shall send one certificate each to the clerk of the circuit court for each
26 county where the articles show that a merging business trust, corporation, PARTNERSHIP,
27 LIMITED PARTNERSHIP or limited liability company other than the successor owns an
28 interest in land.

29 (3) On receipt of a certificate, a clerk promptly shall record it with the land
30 records.

31 (k) (1) In order to keep the land assessment records current in each county, the
32 Department shall require a business trust, corporation, PARTNERSHIP, LIMITED
33 PARTNERSHIP, or limited liability company to submit with the articles a property
34 certificate for each county where a merging business trust, corporation, PARTNERSHIP,
35 LIMITED PARTNERSHIP, or limited liability company other than the successor owns an
36 interest in land.

37 (2) A property certificate is not required with respect to any property in
38 which the only interest owned by the merging business trust, corporation, PARTNERSHIP,
39 LIMITED PARTNERSHIP, or limited liability company is a security interest.

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1 (3) The property certificate shall be in the form and number of copies which
2 the Department requires and may include the certificate of the Department required by
3 subsection (j) of this section.

4 (4) (i) The property certificate shall provide a deed reference or other
5 description sufficient to identify the property.

6 (ii) The Department shall indicate on the certificate the time the
7 articles are accepted for record and send a copy of it to the chief assessor of the county
8 where the property is located.

9 (5) A transfer, vesting, or devolution of title to the property is not
10 invalidated or otherwise affected by any error or defect in the property certificate, failure
11 to file it, or failure by the Department to act on it.

12 (m) (1) If the successor in a merger is a foreign corporation, FOREIGN
13 PARTNERSHIP, FOREIGN LIMITED PARTNERSHIP, a foreign limited liability company,
14 or a Maryland or foreign business trust, other than a Maryland real estate investment
15 trust, the merger is effective as of the later of:

16 (i) The time specified by the law of the place where the successor is
17 organized; or

18 (ii) The time the Department accepts the articles of merger for record.

19 (2) A foreign successor in a merger shall file for record with the Department
20 a certificate from the place where it is organized which certifies the date the articles of
21 merger were filed. However, the failure to file this certificate does not invalidate the
22 merger.

23 (n) (1) Consummation of a merger has the effects provided in this subsection.

24 (2) The separate existence of each business trust, corporation,
25 PARTNERSHIP, limited partnership, or limited liability company party to the articles,
26 except the successor, ceases.

27 (3) The shares of each business trust party to the articles which are to be
28 converted or exchanged under the terms of the articles cease to exist, subject to the rights
29 of an objecting shareholder under subsection (i) of this section.

30 (4) In addition to any other purposes and powers set forth in the articles, if
31 the articles provide, the successor has the purposes and powers of each party to the
32 articles.

33 (5) (i) The assets of each party to the articles, including any legacies
34 which it would have been capable of taking, transfer to, vest in, and devolve on the
35 successor without further act or deed.

36 (ii) Confirmatory deeds, assignments, or similar instruments to
37 evidence the transfer may be executed and delivered at any time in the name of the
38 transferring party to the articles by its last acting officers or trustees or by the appropriate
39 officers or trustees of the successor.

1 (6) (i) The successor is liable for all the debts and obligations of each
2 nonsurviving party to the articles. An existing claim, action, or proceeding pending by or
3 against any nonsurviving party to the articles may be prosecuted to judgment as if the
4 merger had not taken place, or, on motion of the successor or any party, the successor
5 may be substituted as a party and the judgment against the nonsurviving party to the
6 articles constitutes a lien on the property of the successor.

7 (ii) A merger does not impair the rights of creditors or any liens on the
8 property of any business trust, corporation, PARTNERSHIP, limited partnership, or
9 limited liability company party to the articles.

10 10-101.

11 (a) In this title, unless the context requires otherwise, the following words have
12 the meanings indicated.

13 (b) "Certificate" means the certificate referred to in § 10-201, the certificate as
14 amended, and the certificate of cancellation.

15 (c) "Consent" means a writing consenting to a specified act or event.

16 (d) "Contribution" means any cash, property, services rendered, or a promissory
17 note or other binding obligation to contribute cash or property or to perform services,
18 which a partner contributes as capital to a limited partnership in that individual's capacity
19 as a partner.

20 (e) "Event of withdrawal of a general partner" means an event that causes a
21 person to cease to be a general partner as provided in § 10-402.

22 (f) "Foreign limited partnership" means a partnership formed under the laws of
23 any state other than the State of Maryland or under the laws of a foreign country and
24 having as partners one or more general partners and one or more limited partners.

25 (g) "General partner" means a person who has been admitted to a limited
26 partnership as a general partner in accordance with the partnership agreement and has
27 been named as a general partner in the certificate or similar instrument of the state or
28 foreign country under which the limited partnership is organized if so required.

29 (h) "Limited partner" means a person who has been admitted to a limited
30 partnership as a limited partner in accordance with the partnership agreement and has
31 been named as a limited partner in the certificate or similar instrument of the state or
32 foreign country under which the limited partnership is organized if so required.

33 (i) "Limited partnership" and "domestic limited partnership" mean a partnership
34 formed by two or more persons under the laws of the State and having one or more
35 general partners and one or more limited partners.

36 (j) "Partner" means a limited or general partner.

37 (K) "PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER § 9-202 OF THIS
38 ARTICLE, OR ANY PREDECESSOR LAW, BUT NOT INCLUDING A DOMESTIC OR
39 FOREIGN LIMITED PARTNERSHIP.

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1 [(k)] (L) "Partnership agreement" means any valid agreement, written or oral, of
2 the partners as to the affairs of a limited partnership and the conduct of its business.

3 [(l)] (M) "Partnership interest" means a partner's share of the profits and losses
4 of a limited partnership and the right to receive distributions of partnership assets.

5 [(m)] (N) "Person" means a natural person, partnership, limited partnership
6 (domestic or foreign), LIMITED LIABILITY COMPANY, trust, estate, association, or
7 corporation.

8 [(n)] (O) "State" means a state, territory, possession, or district of the United
9 States.

10 10-106.

11 A limited partnership may carry on any business that a partnership [without limited
12 partners] may carry on, except the business of acting as an insurer.

13 10-208.

14 (a) (1) In this section the following words have the meanings indicated.

15 (2) "Business trust" means a business trust or a foreign business trust as
16 defined in § 8-501.1 of this article.

17 (3) "Corporation" means a Maryland corporation or a foreign corporation.

18 (4) "Limited liability company" means a Maryland or a foreign limited
19 liability company as defined by § 4A-101 of this article.

20 (5) "Majority in interest of the limited partners" means a majority in
21 interest of each class of the limited partners (such majorities determined on the basis of
22 the sharing of profits and losses by the limited partners).

23 (6) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER
24 THE LAWS OF ANY STATE, OTHER THAN THE STATE OF MARYLAND, OR UNDER THE
25 LAWS OF A FOREIGN COUNTRY.

26 (b) Unless the partnership agreement provides otherwise, a domestic limited
27 partnership may merge into one or more domestic or foreign PARTNERSHIPS, limited
28 partnerships or limited liability companies, corporations having capital stock, or business
29 trusts having transferable units of beneficial interest; or one or more domestic or foreign
30 PARTNERSHIPS, limited partnerships or limited liability companies, corporations having
31 capital stock, or business trusts having transferable units of beneficial interest may merge
32 into a domestic limited partnership.

33 (c) The proposed merger shall be approved in the manner provided by this
34 subsection:

35 (1) A corporation or a business trust shall approve the merger in accordance
36 with the provisions of § 3-105 of this article;

65

1 (2) UNLESS THE PARTNERSHIP AGREEMENT PROVIDES OTHERWISE, A
2 PARTNERSHIP SHALL APPROVE THE PROPOSED MERGER IN ACCORDANCE WITH
3 THE PROVISIONS OF TITLE 9 OF THIS ARTICLE;

4 [(2)] (3) Unless the partnership agreement provides otherwise, a limited
5 partnership shall approve the proposed merger by the affirmative vote of all of the
6 general partners and a majority in interest of the limited partners;

7 [(3)] (4) A foreign limited partnership party to the merger shall have the
8 merger advised, authorized, and approved in the manner and by the vote required by the
9 laws of the place where it is organized;

10 [(4)] (5) A limited liability company shall approve the merger in the manner
11 provided under § 4A-703 of this article; and

12 [(5)] (6) A foreign limited liability company shall have the merger advised,
13 authorized, and approved in the manner and by the vote required by the laws of the place
14 where it is organized.

15 (d) Articles of merger containing provisions required by § 3-109 of this article and
16 other provisions permitted by that section shall be:

17 (1) Executed:

18 (i) [By all of the general partners or members of each limited
19 partnership or limited liability company party to the articles] IN THE CASE OF A
20 LIMITED PARTNERSHIP, BY A GENERAL PARTNER; [and]

21 (ii) In the case of a corporation or business trust, in the manner
22 required by Title 1 of this article; [and]

23 (III) IN THE CASE OF A PARTNERSHIP, IN THE MANNER REQUIRED
24 BY TITLE 9 OF THIS ARTICLE; AND

25 (IV) IN THE CASE OF A LIMITED LIABILITY COMPANY, IN THE
26 MANNER REQUIRED BY TITLE 4A OF THIS ARTICLE; AND

27 (2) Filed for record with the Department.

28 (e) (1) Unless the articles of merger provide otherwise, a proposed merger or
29 consolidation may be abandoned before the effective date of the articles by:

30 (i) A vote of the majority of the general partners and a majority in
31 interest of the limited partners of any limited partnership party to the articles;

32 (ii) A majority vote of the entire board of directors of any corporation
33 party to the articles, or by;

34 (iii) Majority vote of the entire board of trustees of any business trust
35 party to the articles; [or]

36 (iv) by a vote of the members of a limited liability company party to the
37 articles as provided under § 4A-705 of this article; OR

1 (V) BY A VOTE OF THE PARTNERS OF A PARTNERSHIP PARTY TO
2 THE ARTICLES AS PROVIDED UNDER TITLE 9 OF THIS ARTICLE;

3 (2) If the articles of merger have been filed with the Department, notice of
4 the abandonment shall be given promptly to the Department.

5 (3) (i) If the proposed merger is abandoned as provided in this
6 subsection, no legal liability arises under the articles of merger.

7 (ii) An abandonment does not prejudice the rights of any person under
8 any other contract made by a PARTNERSHIP, limited partnership, corporation, limited
9 liability company, or business trust party to the proposed articles of merger in connection
10 with the proposed merger.

11 (f) Each limited partner of a limited partnership objecting to a merger of the
12 limited partnership has the same rights with respect to its partnership interest as an
13 objecting stockholder of a Maryland corporation has with respect to its stock under Title
14 3, Subtitle 2 of this article. The procedures under that subtitle shall be applicable to the
15 extent practicable.

16 (g) (1) The Department shall prepare certificates of merger that specify:

17 (i) The name of each party to the articles of merger;

18 (ii) The name of the successor and the location of its principal office in
19 the State or, if it has none, its principal place of business; and

20 (iii) The time the articles of merger are accepted for record by the
21 Department.

22 (2) In addition to any other provision of law with respect to recording, the
23 Department shall send one certificate of merger each to the clerk of the circuit court for
24 each county where the articles of merger show that a merging PARTNERSHIP, limited
25 partnership, corporation, limited liability company, or business trust other than the
26 successor owns an interest in land.

27 (3) On receipt of the certificate of merger, a clerk promptly shall record it
28 with the land records.

29 (h) (1) In order to keep the land assessment records current in each county, the
30 Department shall require a PARTNERSHIP, limited partnership, corporation, limited
31 liability company, or business trust to submit with the articles of merger a property
32 certificate for each county where a merging PARTNERSHIP, limited partnership,
33 corporation, limited liability company, or business trust other than the successor owns an
34 interest in land.

35 (2) A property certificate is not required with respect to any property in
36 which the only interest owned by the merging PARTNERSHIP, limited partnership,
37 corporation, limited liability company, or business trust is a security interest.

38 (3) The property certificate shall be in the form and number of copies that
39 the Department requires and may include the certificate of the Department required by
40 subsection (g) of this section.

1 (4) (i) The property certificate shall provide a deed reference or other
2 description sufficient to identify the property.

3 (ii) The Department shall indicate on the property certificate the time
4 the articles of merger are accepted for record and send a copy of the property certificate
5 to the chief assessor of the county where the property is located.

6 (5) A transfer, vesting, or devolution of title to the property is not
7 invalidated or otherwise affected by any error or defect in the property certificate, failure
8 to file the property certificate, or failure by the Department to act on the property
9 certificate.

10 (i) A merger is effective as of the later of:

11 (1) The time the Department accepts the articles of merger for record; or

12 (2) The time established under the articles of merger, not to exceed 30 days
13 after the articles of merger are accepted for record.

14 (j) (1) Consummation of a merger has the effects provided in this subsection.

15 (2) The separate existence of each PARTNERSHIP, limited partnership,
16 corporation, limited liability company, or business trust party to the articles, except the
17 successor, ceases.

18 (3) The partnership interest of each partner of a limited partnership party
19 to the articles of merger that are to be converted or exchanged under the terms of the
20 articles of merger cease to exist, subject to the rights of an objecting limited partner under
21 subsection (f) of this section.

22 (4) In addition to any other purposes and powers set forth in the articles of
23 merger, if the articles provide, the successor has the purpose and powers of each party to
24 the articles.

25 (5) (i) The assets of each party to the articles of merger, including any
26 legacies that it would have been capable of taking, transfer to, vest in, and devolve on the
27 successor without further act or deed.

28 (ii) Confirmatory deeds, assignments or similar instruments to
29 evidence the transfer may be executed and delivered at any time in the name of the
30 transferring party to the articles of merger by its last acting general partners, officers,
31 authorized persons, or trustees or by the appropriate general partners, officers,
32 authorized persons, or trustees of the successor.

33 (6) (i) The successor is liable for all the debts and obligations of each
34 nonsurviving party to the articles of merger. An existing claim, action, or proceeding
35 pending by or against any nonsurviving party to the articles of merger may be prosecuted
36 to judgment as if the merger had not taken place, or, on motion of the successor or any
37 party, the successor may be substituted as a party and the judgment against the
38 nonsurviving party to the articles of merger constitutes a lien on the property of the
39 successor.

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1 (ii) A merger does not impair the rights of creditors or any liens on the
2 property of any PARTNERSHIP, limited partnership, corporation, limited liability
3 company, or business trust party to the articles of merger.

4 (k) If, following a merger involving one or more domestic limited partnerships,
5 the successor PARTNERSHIP OR limited partnership is not a domestic PARTNERSHIP OR
6 limited partnership, there shall be included in the articles of merger filed pursuant to
7 subsection (d)(1) of this section for each domestic limited partnership a statement that
8 the successor PARTNERSHIP OR limited partnership agrees that it may be served with
9 process in the State of Maryland in any action, suit, or proceeding for the enforcement of
10 any obligation of the domestic limited partnership that arose before the merger,
11 irrevocably appointing the Department as its agent to accept service of process in any
12 such action, suit, or proceeding and specifying the address to which a copy of the process
13 shall be mailed to it by the Department.

14 10-402.

15 A person ceases to be a general partner of a limited partnership upon the
16 happening of any of the following events:

17 (1) The person's withdrawal from the limited partnership as provided in §
18 10-602;

19 (2) The person's removal as a general partner in accordance with the
20 partnership agreement;

21 (3) Unless otherwise provided in the partnership agreement or with the
22 consent of all partners, the person's:

23 (i) Making an assignment for the benefit of creditors;

24 (ii) Filing a voluntary petition in bankruptcy;

25 (iii) Being adjudged bankrupt or insolvent or having entered against
26 him an order of relief in any bankruptcy or insolvency proceeding;

27 (iv) Filing a petition or answer seeking for himself any reorganization,
28 arrangement, composition, readjustment, liquidation, dissolution, or similar relief under
29 any statute, law, or regulation;

30 (v) Filing an answer or other pleading admitting or failing to contest
31 the material allegations of a petition filed against him in any proceeding of this nature; or

32 (vi) Seeking, consenting to, or acquiescing in, the appointment of a
33 trustee, receiver, or liquidation of the general partner or of all or any substantial part of
34 his properties;

35 (4) Unless otherwise provided in the partnership agreement or with the
36 consent of all partners, the continuation of any proceeding against him seeking
37 reorganization, arrangement, composition, readjustment, liquidation, dissolution, or
38 similar relief under any statute, law, or regulation, for 120 days after the commencement
39 thereof or the appointment of a trustee, receiver, or liquidator for the general partner or
40 all or any substantial part of his properties without his agreement or acquiescence, which

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1 appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120
2 days after the expiration of the stay during which period the appointment is not vacated;

3 (5) In the case of a general partner who is an individual, the individual's:

4 (i) Death; or

5 (ii) Adjudication by a court of competent jurisdiction as incompetent
6 to manage his person or his property;

7 (6) In the case of a general partner who is acting as a general partner by
8 virtue of being a trustee of a trust, the termination of the trust (but not merely the
9 substitution of a new trustee);

10 (7) In the case of a general partner that is a separate partnership OR
11 LIMITED PARTNERSHIP, the dissolution and commencement of winding up of the
12 separate partnership OR LIMITED PARTNERSHIP;

13 (8) In the case of a general partner that is a corporation, the dissolution of
14 the corporation or the revocation of its charter; or

15 (9) In the case of a general partner that is an estate, the distribution by the
16 fiduciary of the estate's entire interest in the partnership.

17 10-403.

18 (a) Except as provided in this title or in the partnership agreement, a general
19 partner of a limited partnership has the rights and powers and is subject to the
20 restrictions and liabilities of a partner in a partnership [without limited partners].

21 (b) A general partner may not limit the general partner's liability in the
22 partnership agreement to persons other than his partners or the LIMITED partnership.

23 10-607.

24 A partner may not receive a return of his contribution to a limited partnership to
25 the extent that, after giving effect to the return of his contribution, all liabilities of the
26 limited partnership, other than liabilities to partners for the return of their contributions,
27 exceed the fair value of the LIMITED partnership assets.

28 10-608.

29 (a) (1) If a limited partner has received the return of any part of his
30 contribution without violation of the certificate, partnership agreement, or this title, he is
31 liable to the limited partnership for a period of 1 year thereafter for the amount of the
32 returned contribution, but only to the extent necessary to discharge the limited
33 partnership's liabilities to creditors who extended credit to the limited partnership during
34 the period the contribution was held by the LIMITED partnership.

35 (2) If a limited partner has received the return of any part of his
36 contribution in violation of the certificate, partnership agreement, or this title, he is liable
37 to the limited partnership for a period of 6 years thereafter for the amount of the
38 contribution wrongfully returned.

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1 (b) A limited partner receives a return of his contribution to the extent that, after
2 a distribution to him, his share of the fair value of the net assets of the limited partnership
3 is less than the value of his total contribution as reflected in the certificate minus all
4 distributions in return of his contribution made prior to the distribution.

5 10-805. LIMITED PARTNERSHIP AS LIMITED LIABILITY PARTNERSHIP.

6 (A) A LIMITED PARTNERSHIP MAY REGISTER AS A LIMITED LIABILITY
7 PARTNERSHIP PURSUANT TO § 9-1001 OF THIS ARTICLE BY:

8 (1) INCLUDING, IN THE LIMITED PARTNERSHIP'S CERTIFICATE OF
9 LIMITED PARTNERSHIP FILED UNDER § 10-201 OF THIS TITLE OR IN AN AMENDMENT
10 OF ITS CERTIFICATE OF LIMITED PARTNERSHIP FILED UNDER § 10-202 OF THIS TITLE,
11 THE INFORMATION DESCRIBED IN § 9-1001(A) OF THIS ARTICLE; AND

12 (2) USING EITHER THE WORDS "LIMITED LIABILITY LIMITED
13 PARTNERSHIP" OR THE ABBREVIATION "L.L.L.P." OR THE DESIGNATION "LLLP" AS
14 THE LAST WORDS OR LETTERS OF ITS NAME.

15 (B) THE PROVISIONS OF TITLE 9 OF THIS ARTICLE APPLICABLE TO LIMITED
16 LIABILITY PARTNERSHIPS SHALL APPLY TO A LIMITED PARTNERSHIP WHICH
17 REGISTERS AS A LIMITED LIABILITY PARTNERSHIP; PROVIDED, HOWEVER, THAT IN
18 APPLYING TITLE 9 OF THIS ARTICLE TO SUCH A LIMITED PARTNERSHIP, ALL
19 REFERENCES TO PARTNERS SHALL MEAN GENERAL PARTNERS.

20 (C) IF A LIMITED PARTNERSHIP IS A REGISTERED LIMITED LIABILITY
21 PARTNERSHIP, § 9-306 OF THIS ARTICLE APPLIES TO ITS GENERAL PARTNERS AND TO
22 ANY OF ITS LIMITED PARTNERS WHO, UNDER OTHER PROVISIONS OF THIS TITLE,
23 ARE LIABLE FOR THE DEBTS OR OBLIGATIONS OF THE LIMITED PARTNERSHIP.

24 (D) A LIMITED PARTNERSHIP THAT HAS REGISTERED AS A LIMITED
25 LIABILITY PARTNERSHIP MAY WITHDRAW SUCH REGISTRATION BY COMPLYING
26 WITH § 9-1001(E) OF THIS ARTICLE.

27 10-912.

28 (a) If a foreign limited partnership that owns property, rights, privileges,
29 franchises, or other assets located in this State is a party to a merger in which a foreign
30 corporation, FOREIGN PARTNERSHIP, FOREIGN LIMITED LIABILITY COMPANY, or
31 another foreign limited partnership is the successor, the transfer to, vesting in, or
32 devolution on the successor of the property, rights, privileges, franchises, or other assets
33 of the nonsurviving foreign limited partnership is effective as provided by the laws of the
34 place that governs the merger.

35 (b) The successor shall file with the Department:

36 (1) A property certificate under § 3-112 or § 10-208(h) of this article, or
37 both; and

38 (2) A certificate [of its general partners] that specifies:

39 (i) Each county in the State where a foreign limited partnership party
40 to the merger, except the successor, owned an interest in land;

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- 1 (ii) The name of each party to the merger;
- 2 (iii) The place under the laws of which each party was organized;
- 3 (iv) The name of the successor; and
- 4 (v) If the successor is a foreign limited partnership, OR FOREIGN
- 5 PARTNERSHIP, the name and business, residence, or mailing address of each of the
- 6 general partners of the successor.

7 (3) THE CERTIFICATE SHALL BE EXECUTED:

8 (I) IN THE CASE OF A PARTNERSHIP, IN THE MANNER REQUIRED

9 IN § 9-903 OF THIS ARTICLE;

10 (II) IN THE CASE OF A LIMITED PARTNERSHIP, BY ALL OF THE

11 GENERAL PARTNERS;

12 (III) IN THE CASE OF A LIMITED LIABILITY COMPANY IN THE

13 MANNER REQUIRED IN § 4A-206 OF THIS ARTICLE; AND

14 (IV) IN THE CASE OF A CORPORATION OR BUSINESS TRUST, IN THE

15 MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

16 (c) If a copy of the document effecting the merger has not been filed with the

17 Department as provided in Title 10 of this article, the successor shall file with the

18 Department an officially certified copy of that document.

19 (d) When the Department receives the articles and any certificate of the

20 successor, it shall prepare and file certificates of merger in the manner provided for

21 Maryland limited partnerships. However, the certificate of merger need not state the

22 principal office in the State of any [limited partnership] SUCCESSOR that does not have

23 a principal office, and the certificate shall include the other information specified in the

24 certificate filed by the successor.

25 10-1001.

26 A limited partner may bring a derivative action to enforce a right of a limited

27 partnership to recover a judgment in its favor to the same extent that a stockholder may

28 bring an action for a derivative suit under the corporation law of Maryland. Such an

29 action may be brought if general partners with authority to do so have refused to bring the

30 action or if an effort to cause those general partners to bring the action is not likely to

31 succeed. The derivative action may not be maintained if it appears that the plaintiff does

32 not fairly and adequately represent the interests of the limited partners in enforcing the

33 right of the LIMITED partnership.

34 **Article - Tax - General**

35 4-301.

36 (c) If a limited liability company, OR LIMITED LIABILITY PARTNERSHIP

37 (INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY

38 LIMITED PARTNERSHIP) is required to pay the admissions and amusement tax, personal

39 liability for the tax and interest AND penalties on the tax extends to any person who

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1 exercises direct control over the fiscal management of the limited liability company OR
2 LIMITED LIABILITY PARTNERSHIP.

3 10-906.

4 (d) If an employer or payor negligently fails to withhold or to pay income tax in
5 accordance with subsection (a) of this section, personal liability for that income tax
6 extends:

7 (3) if the employer or payor is a limited liability company as defined under
8 Title 4A of the Corporations and Associations Article OR A LIMITED LIABILITY
9 PARTNERSHIP AS DEFINED UNDER TITLE 9 OF THE CORPORATIONS AND
10 ASSOCIATIONS ARTICLE (INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A
11 LIMITED LIABILITY LIMITED PARTNERSHIP), to:

12 (i) any person who exercises direct control over its fiscal management;
13 and

14 (ii) any agent of the limited liability company OR LIMITED LIABILITY
15 PARTNERSHIP who is required to withhold and pay the income tax.

16 11-601.

17 (d) If a buyer or vendor liable for the sales and use tax and for the interest and
18 penalties of the tax under subsection (c) of this section is a corporation or limited liability
19 company OR LIMITED LIABILITY PARTNERSHIP (INCLUDING A LIMITED
20 PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP),
21 personal liability for the sales and use tax and for the interest and penalties of the tax
22 extends to:

23 (1) in the case of a corporation:

24 (i) the president, vice president or treasurer of the corporation; and

25 (ii) any officer of the corporation who directly or indirectly owns more
26 than 20% of the stock of the corporation; and

27 (2) in the case of a limited liability company:

28 (i) if the limited liability company does not have an operating
29 agreement, all members; or

30 (ii) if the limited liability company has an operating agreement, those
31 individuals who manage the business and affairs of the limited liability company.

32 (3) IN THE CASE OF A LIMITED LIABILITY PARTNERSHIP:

33 (I) IF THE LIMITED LIABILITY PARTNERSHIP DOES NOT HAVE A
34 WRITTEN PARTNERSHIP AGREEMENT, ALL GENERAL PARTNERS; OR

35 (II) IF THE LIMITED LIABILITY PARTNERSHIP HAS A WRITTEN
36 PARTNERSHIP AGREEMENT, THOSE INDIVIDUALS WHO MANAGE THE BUSINESS AND
37 AFFAIRS OF THE LIMITED LIABILITY PARTNERSHIP.

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1 **Article - Tax - Property**

2 12-101.

3 (c) (1) "Instrument of writing" means a written instrument that:

4 (i) conveys title to or creates or gives notice of a security interest in
5 real property; or

6 (ii) creates or gives notice of a security interest in personal property.

7 (2) "Instrument of writing" includes:

8 (i) a deed or contract;

9 (ii) a mortgage, deed of trust, or other contract that creates an
10 encumbrance on real property;

11 (iii) a lease of real property;

12 (iv) an assignment of a lessee's interest in real property;

13 (v) articles of transfer;

14 (vi) a security agreement;

15 (vii) articles of merger or other document which evidences a merger of
16 foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or
17 foreign limited partnerships; and

18 (viii) articles of consolidation or other document which evidences a
19 consolidation of foreign corporations.

20 (i) "Articles of merger" means a document filed with the Department under §
21 3-107, § 4A-704, § 9-903 or § 10-208 of the Corporations and Associations Article which
22 evidences a merger involving at least one Maryland corporation, Maryland limited
23 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

24 (k) "Documents which evidence the merger or consolidation of foreign
25 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
26 limited partnerships" means those documents that are filed or recorded with:

27 (1) the Department under § 3-117, § 4A-1012, § 9-910 or § 10-912 of the
28 Corporations and Associations Article; or

29 (2) the clerk of the circuit court of a county evidencing that title to real
30 property has been conveyed through a merger or consolidation of 2 or more foreign
31 corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or foreign
32 limited partnerships.

33 12-103.

34 (d) For articles of transfer, articles of merger, or articles of consolidation filed
35 with the Department under § 3-107 of the Corporations and Associations Article, or
36 other document filed with the Department which evidences a merger or consolidation of

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1 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
2 foreign limited partnerships, the recordation tax rate is \$1.65. The Department shall
3 collect the recordation tax when the articles of transfer, articles of merger, articles of
4 consolidation, or other document which evidences a merger or consolidation of foreign
5 corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or foreign
6 limited partnerships are filed.

7 12-105.

8 (g) (1) For a transfer under § 12-106 of this title, the recordation tax applies to
9 the value of the real property determined by the Department at the date of finality
10 immediately before the date of transfer.

11 (2) For a transfer by articles of merger, articles of consolidation, or other
12 documents which evidence a merger or consolidation of foreign corporations, foreign
13 limited liability companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships,
14 the recordation tax applies to the value of the real property determined by the
15 Department at the date of finality immediately before the date of the merger or
16 consolidation.

17 12-109.

18 (b) (1) Except as provided in paragraph (2) of this subsection, the recordation
19 tax on an instrument of writing or a security agreement recorded under subsection (a)(1)
20 of this section in any county shall be paid to the clerk of the circuit court for the county.

21 (2) In Prince George's County, the recordation tax on an instrument of
22 writing or a security agreement recorded under subsection (a)(1) of this section shall be
23 paid to the Director of Finance of Prince George's County.

24 (3) The recordation tax on a security agreement, articles of transfer, articles
25 of merger, articles of consolidation or other documents which evidence a merger or
26 consolidation of foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability
27 companies, or foreign limited partnerships filed with the Department shall be paid to the
28 Department.

29 13-101.

30 (c) (1) "Instrument of writing" means a written instrument that conveys title to,
31 or a leasehold interest in, real property.

32 (2) "Instrument of writing" includes:

33 (i) a deed or contract;

34 (ii) a lease;

35 (iii) an assignment of a lessee's interest;

36 (iv) articles of transfer;

37 (v) articles of merger or other document which evidences a merger of
38 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
39 foreign limited partnerships; and

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1 (vi) articles of consolidation or other document which evidences a
2 consolidation of foreign corporations.

3 (3) "Instrument of writing" does not include:

4 (i) a mortgage, deed of trust, or other contract that creates an
5 encumbrance on real property; or

6 (ii) a security agreement, as defined in § 12-101(e) of this article.

7 (e) "Articles of merger" means a document filed with the Department under §
8 3-107, § 4A-704, § 9-903 or § 10-208 of the Corporations and Associations Article which
9 evidences a merger involving at least one Maryland corporation, Maryland limited
10 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

11 (g) "Documents which evidence the merger or consolidation of foreign
12 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
13 limited partnerships" means those documents that are filed or recorded with:

14 (1) the Department under § 3-117, § 4A-1012, § 9-910, or § 10-912 of the
15 Corporations and Associations Article; or

16 (2) the clerk of the circuit court of a county evidencing that title to real
17 property has been conveyed through a merger or consolidation of 2 or more foreign
18 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
19 limited partnerships.

20 13-205.

21 (d) (1) For a transfer under § 13-206 of this title, the transfer tax applies to the
22 value of the real property determined by the Department at the date of finality
23 immediately before the date of transfer.

24 (2) For a transfer by articles of merger, articles of consolidation, or other
25 documents which evidence a merger or consolidation of foreign corporations, FOREIGN
26 PARTNERSHIPS, foreign limited liability companies, or foreign limited partnerships, the
27 transfer tax applies to the value of the real property determined by the Department at the
28 date of finality immediately before the date of the merger or consolidation.

29 13-404.

30 (a) Except as provided under subsection (b) of this section, the Department shall
31 collect county transfer tax at the rate set by each county for articles of transfer, articles of
32 consolidation, or articles of merger filed with the Department as required by § 3-107, §
33 4A-704, § 9-903 or § 10-208 of the Corporations and Associations Article, or other
34 document filed with the clerk of the circuit court of a county or the Department which
35 evidences a merger or consolidation of foreign corporations, foreign limited liability
36 companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships.

37 (e) (1) Articles of transfer, articles of merger, articles of consolidation or other
38 document which evidences a merger or consolidation of foreign corporations or foreign
39 limited liability companies OR FOREIGN PARTNERSHIPS that are subject to county

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1 transfer tax under this section also may be taxable under § 13-202 or §13-302 of this title
2 or § 12-102 of this article.

3 (2) Before a transfer of title may be made under articles of transfer, articles
4 of merger, articles of consolidation, or other document which evidences a merger or
5 consolidation of foreign corporations or foreign limited liability companies OR FOREIGN
6 PARTNERSHIPS for any property for which a property certificate is required under §
7 3-112 or § 4A-708 of the Corporations and Associations Article, all recordation and
8 transfer taxes shall be paid.

9 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be applied
10 and construed to effectuate its general purpose to make uniform the law with respect to
11 the subject of this Act among states enacting it.

12 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
13 Act or the application thereof to any person or circumstance is held invalid for any reason
14 in a court of competent jurisdiction, the invalidity does not affect other provisions or any
15 other application of this Act which can be given effect without the invalid provision or
16 application, and for this purpose the provisions of this Act are declared severable.

17 SECTION 6. AND BE IT FURTHER ENACTED, That this Act does not affect
18 an action or proceeding commenced or right accrued before this Act takes effect.

19 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 1996.