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1997 Regular Session
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By: Delegate Frank

Introduced and read first time: January 17, 1997

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 1997

CHAPTER ____

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 a certain fee for a certain filing; providing for the application of
10 certain tax laws to certain partnerships; providing for a delayed effective date;
11 providing for the application of this Act; making this Act severable; and generally
12 relating to ~~partnership law~~ partnerships.

13 BY repealing

14 Article - Corporations and Associations
15 Section 9-101 through 9-912, inclusive, and the various subtitles
16 Annotated Code of Maryland
17 (1993 Replacement Volume and 1996 Supplement)

18 BY adding to

19 Article - Corporations and Associations
20 Section ~~4-203(g)~~, 3-101(j) and (k), 4A-101(r), and 9-101 through 9-1205, inclusive,
21 and the various subtitles
22 Annotated Code of Maryland
23 (1993 Replacement Volume and 1996 Supplement)

24 BY repealing and reenacting, with amendments,

2

1 Article - Corporations and Associations
2 Section 1-101(p), 1-203(4), (5), and (8), 1-401, 3-102(a), 3-109(a) and (c),
3 3-111(b), 3-112, 3-114, 4A-701, 4A-702, 4A-703, 4A-704, 4A-706, 4A-707,
4 4A-709, 7-206, 8-501.1(a), (b), (c), (j), (k), (m), and (n), 10-101, 10-106,
5 10-208, 10-402, 10-403, 10-607, 10-608, 10-912, and 10-1001
6 Annotated Code of Maryland
7 (1993 Replacement Volume and 1996 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article - Tax - General
10 Section 4-301(c), 10-906(d)(3), and 11-601(d)
11 Annotated Code of Maryland
12 (1988 Volume and 1996 Supplement)

13 BY adding to
14 Article - Tax - General
15 Section 11-601(g)
16 Annotated Code of Maryland
17 (1988 Replacement Volume and 1996 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Tax - Property
20 Section 12-101(c), (i), and (k), 12-103(d), 12-105(g), 12-109(b), 13-101(c), (e), and
21 (g), 13-205(d), and 13-404(a) and (e)
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1996 Supplement)

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27 repealed.

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

30 **Article - Corporations and Associations**

31 1-101.

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

35 1-203.

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

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

3

1 (I) Certificate of limited partnership, certificate of limited liability
2 partnership, articles of organization of a limited liability company, including certificates
3 of amendment and certificates of cancellation, certificates of reinstatement, and articles
4 of reinstatement; AND

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

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

8 Type of Instrument	Special Fee
9 Certificate of status of a corporation, PARTNERSHIP, limited partnership, limited 10 liability partnership, or limited liability company of this State or of a foreign corporation, 11 FOREIGN PARTNERSHIP, foreign limited partnership, foreign limited liability 12 partnership, or foreign limited liability company.....	\$6
13 Certified list of the charter papers of a corporation of this State or any certificates 14 of a limited partnership, limited liability partnership, or a limited liability company of this 15 State recorded or filed with the Department.....	\$6
16 Certificate of compliance by a foreign corporation, foreign limited partnership, 17 foreign limited liability partnership, or foreign limited liability company with 18 requirements of law in respect of qualification or registration.....	\$6
19 Certificate of withdrawal of registration or qualification.....	\$6
20 Certificate of any paper recorded or filed in Department's office.....	\$6

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

23 Recording any document, including financing statements.....	\$30
24 Certificate of status of a corporation, PARTNERSHIP, limited partnership, limited 25 liability partnership, or limited liability company, or a name reservation.....	\$9
26 A copy of any document recorded or filed with the Department or a corporate 27 abstract.....	\$20

28 ~~(9) THE DEPARTMENT SHALL RETAIN ALL OF THE FEES RECEIVED IN~~
29 ~~RESPECT OF INSTRUMENTS FILED WITH THE DEPARTMENT BY OR ON BEHALF OF A~~
30 ~~PARTNERSHIP AND A FOREIGN PARTNERSHIP UNDER PARAGRAPHS (4), (5), AND (8)~~
31 ~~OF THIS SECTION. ALL REVENUES RETAINED BY THE DEPARTMENT UNDER THIS~~
32 ~~PARAGRAPH SHALL BE CREDITED TO A CONTINUING NONLAPSING FUND THAT IS~~
33 ~~NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~
34 ~~SUBJECT TO THE APPROPRIATION PROCESS IN THE STATE BUDGET, THE~~
35 ~~DEPARTMENT SHALL USE THE FUND FOR THE COSTS OF REVIEWING, PROCESSING~~
36 ~~AND AUDITING INSTRUMENTS FILED BY OR ON BEHALF OF A PARTNERSHIP AND A~~
37 ~~FOREIGN PARTNERSHIP UNDER PARAGRAPHS (4), (5), AND (8) OF THIS SECTION.~~

4

1 1-401.

2 (a) Service of process on the resident agent of a corporation, PARTNERSHIP,
3 limited partnership, limited liability partnership, or limited liability company, or any other
4 person binds the corporation, limited partnership, limited liability partnership, or limited
5 liability company, or other person in any action, suit, or proceeding which is pending,
6 filed, or instituted against it under the provisions of this article.

7 (b) (1) Any notice required by law to be served by personal service on a resident
8 agent or other agent or officer of any Maryland or foreign corporation, PARTNERSHIP,
9 limited partnership, limited liability partnership, or limited liability company required by
10 statute to have a resident agent in this State may be served on the corporation,
11 PARTNERSHIP, limited partnership, [or,] limited liability partnership, or limited liability
12 company in the manner provided by the Maryland Rules relating to the service of process
13 on corporations.

14 (2) Service under the Maryland Rules is equivalent to personal service on a
15 resident agent or other agent or officer of a corporation, PARTNERSHIP, limited
16 partnership, limited liability partnership, or limited liability company mentioned in
17 paragraph (1) of this subsection.

18 3-101.

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

21 (K) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER THE
22 LAWS OF ANY STATE, OTHER THAN THIS STATE, OR UNDER THE LAWS OF A
23 FOREIGN COUNTRY.

24 3-102.

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

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

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

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

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

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

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

38 [(6)] (7) Participate in a share exchange either:

5

1 (i) As the successor; or

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

3 [(7)] (8) Transfer its assets.

4 3-109.

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

8 (1) A statement:

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

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

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

15 (i) Each party to the articles; and

16 (ii) The successor corporation in a consolidation, merger, or share
17 exchange or the successor domestic PARTNERSHIP, limited partnership or limited liability
18 company in a merger;

19 (3) As to each foreign corporation:

20 (i) The date of its incorporation;

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

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

26 (4) As to each foreign business trust:

27 (i) The date of its organization; and

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

30 (5) As to each foreign PARTNERSHIP, limited partnership or limited liability
31 company:

32 (i) The date of its formation; and

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

6

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

3 (7) Each county in this State where:

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

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

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

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

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

13 (9) A statement that the terms and conditions of the transaction set forth in
14 the articles were advised, authorized, and approved by each corporation, PARTNERSHIP,
15 limited partnership, limited liability company, or business trust party to the articles in the
16 manner and by the vote required by its charter or declaration of trust and the laws of the
17 place where it is organized, and a statement of the manner of approval; and

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

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

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

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

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

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

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

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

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

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

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

7

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

2 (i) The percentages of partnership interest of each class of
3 partnership interest of the limited partnership; and

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

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

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

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

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

12 (I) THE PERCENTAGES OF PARTNERSHIP INTEREST OF EACH
13 CLASS OF PARTNERSHIP INTEREST OF THE PARTNERSHIP; AND

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

16 [(6)] (7) If the charter, certificate of limited partnership, articles of
17 organization of a limited liability company, or declaration of trust of the successor is
18 amended in a manner which changes any of the information required by paragraphs (2)
19 through (5) of this subsection, that information as it was both immediately before and as
20 changed by the merger; and

21 [(7)] (8) The manner and basis of converting or exchanging issued stock of
22 the merging corporations, outstanding partnership interest of the merging PARTNERSHIP
23 OR limited partnership, or shares of beneficial interest of the merging business trusts into
24 different stock of a corporation, partnership interest of a PARTNERSHIP OR limited
25 partnership, outstanding membership interest of a limited liability company, shares of
26 beneficial interest of a business trust, or other consideration, and the treatment of any
27 issued stock of the merging corporations, partnership interest of the merging
28 PARTNERSHIP OR limited partnerships, membership interest of the merging limited
29 liability company, or shares of beneficial interest of the merging business trusts not to be
30 converted or exchanged.

31 3-111.

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 show that a merging corporation, PARTNERSHIP, limited
35 partnership, limited liability company, or business trust other than the successor, a
36 consolidating corporation, or a transferor corporation owns an interest in land.

37 3-112.

38 (a) In order to keep the land assessment records current in each county, the
39 Department shall require a corporation, limited partnership, limited liability company, or
40 business trust to submit with the articles a property certificate for each county where a

8

1 merging corporation, PARTNERSHIP, limited partnership, limited liability company, or
2 business trust other than the successor, a consolidating corporation, or a transferor
3 corporation owns an interest in land.

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

8 3-114.

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

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

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

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

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

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

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

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

32 (e) (1) The successor is liable for all the debts and obligations of each
33 nonsurviving corporation, PARTNERSHIP, limited partnership, limited liability company,
34 and business trust. An existing claim, action, or proceeding pending by or against any
35 nonsurviving corporation, PARTNERSHIP, limited partnership, limited liability company,
36 or business trust may be prosecuted to judgment as if the consolidation or merger had not
37 taken place, or, on motion of the successor or any party, the successor may be substituted
38 as a party and the judgment against the nonsurviving corporation, PARTNERSHIP, limited
39 partnership, limited liability company, or business trust constitutes a lien on the property
40 of the successor.

9

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

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

8 4A-101.

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

11 4A-701.

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

14 (1) Limited liability companies;

15 (2) PARTNERSHIPS;

16 ~~[(2)]~~ (3) Limited partnerships;

17 ~~[(3)]~~ (4) Corporations having capital stock; or

18 ~~[(4)]~~ (5) Business trusts having transferable units of beneficial interest.

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

22 4A-702.

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

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

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

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

31 ~~[(d)]~~ (E) A limited partnership shall approve the merger under the provisions of §
32 10-208 of this article.

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

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

10

1 4A-703.

2 Articles of merger shall:

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

5 (2) Be executed:

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

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

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

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

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

15 4A-704.

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

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

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

21 [(2)] (3) A majority vote of the general partners and a majority in interest
22 of the limited partners, as defined in § 10-208 of this article, of any limited partnership
23 party to the articles;

24 [(3)] (4) A majority vote of the entire board of directors of a corporation
25 party to the articles; and

26 [(4)] (5) A majority vote of the entire board of trustees of a business trust
27 party to the articles.

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

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

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

11

1 4A-706.

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

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

4 (2) The name of the successor and the location of its principal office in the
5 State or, if it has none, its principal place of business; and

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

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

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

15 4A-707.

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

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

24 (c) The property certificate:

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

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

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

31 (2) The Department shall:

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

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

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

12

1 4A-709.

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

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

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

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

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

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

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

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

25 1. May be prosecuted to judgment as if the merger had not
26 taken place; or

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

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

33 7-206.

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

37 (1) Merges into another corporation;

38 (2) Consolidates with another corporation;

13

1 (3) Dissolves; or

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

4 (b) The officially certified statement shall:

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

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

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

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

14 8-501.1.

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

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

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

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

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

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

32 (7) "Domestic limited liability company" means a limited liability company
33 formed under the laws of the State.

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

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

14

1 (10) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER
2 THE LAWS OF ANY STATE, OTHER THAN THIS STATE, OR UNDER THE LAWS OF A
3 FOREIGN COUNTRY.

4 (b) Unless the declaration of trust provides otherwise, a Maryland real estate
5 investment trust may merge into a Maryland or foreign business trust, into a Maryland or
6 foreign corporation having capital stock, INTO A DOMESTIC OR FOREIGN
7 PARTNERSHIP, or into a domestic or foreign limited partnership or limited liability
8 company; or one or more such business trusts, such corporations, DOMESTIC OR
9 FOREIGN PARTNERSHIPS, domestic or foreign limited partnerships, or limited liability
10 companies may merge into it.

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

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

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

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

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

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

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

31 (j) (1) The Department shall prepare certificates of merger that specify:

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

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

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

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

15

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

3 (k) (1) In order to keep the land assessment records current in each county, the
4 Department shall require a business trust, corporation, PARTNERSHIP, LIMITED
5 PARTNERSHIP, or limited liability company to submit with the articles a property
6 certificate for each county where a merging business trust, corporation, PARTNERSHIP,
7 LIMITED PARTNERSHIP, or limited liability company other than the successor owns an
8 interest in land.

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

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

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

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

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

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

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

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

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

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

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

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

16

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

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

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

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

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

20 Title 9. Uniform Partnership Act.

21 SUBTITLE 1. GENERAL PROVISIONS.

22 9-101. DEFINITIONS.

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

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

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

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

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

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

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

17

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

4 (F) "FOREIGN LIMITED PARTNERSHIP" MEANS A PARTNERSHIP, INCLUDING A
5 FOREIGN LIMITED PARTNERSHIP REGISTERED OR DENOMINATED AS A LIMITED
6 LIABILITY PARTNERSHIP UNDER THE LAWS OF A STATE OTHER THAN THIS STATE,
7 FORMED UNDER THE LAWS OF ANY STATE OTHER THAN THIS STATE OR UNDER THE
8 LAWS OF A FOREIGN COUNTRY AND HAVING AS PARTNERS ONE OR MORE GENERAL
9 PARTNERS AND ONE OR MORE LIMITED PARTNERS.

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

11 (1) IS FORMED IN ACCORDANCE WITH THE LAWS OF THIS STATE; AND

12 (2) IS REGISTERED UNDER § 9-1001 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 THIS STATE AND HAVING ONE OR MORE GENERAL PARTNERS AND ONE OR
16 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
40 OF DISSOLUTION UNDER § 9-805 OF THIS TITLE, OR AN AMENDMENT OR
41 CANCELLATION OF ANY OF THE FOREGOING.

18

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

3 9-102. KNOWLEDGE AND NOTICE.

4 (A) A PERSON KNOWS A FACT IF THE PERSON HAS ACTUAL KNOWLEDGE OF
5 IT.

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

7 (1) KNOWS OF IT;

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

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

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

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

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

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

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

34 (F) A PARTNER'S KNOWLEDGE, NOTICE, OR RECEIPT OF A NOTIFICATION OF
35 A FACT RELATING TO THE PARTNERSHIP IS EFFECTIVE IMMEDIATELY AS
36 KNOWLEDGE BY, NOTICE TO, OR RECEIPT OF A NOTIFICATION BY THE
37 PARTNERSHIP, EXCEPT IN THE CASE OF A FRAUD ON THE PARTNERSHIP
38 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;

39 (9) VARY THE LAW APPLICABLE TO A LIMITED LIABILITY PARTNERSHIP
40 UNDER SECTION 9-106 OF THIS SUBTITLE; OR

20

1 (10) RESTRICT RIGHTS OF THIRD PARTIES UNDER THIS TITLE.

2 9-104. SUPPLEMENTAL PRINCIPLES OF LAW.

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

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

8 9-105. EXECUTION, FILING, AND RECORDING OF STATEMENTS.

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

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

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

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

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

32 9-106. LAW GOVERNING INTERNAL RELATIONS.

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

37 (B) THE LAW OF THE STATE UNDER WHICH A FOREIGN LIMITED LIABILITY
38 PARTNERSHIP IS FORMED AND REGISTERED AS A LIMITED LIABILITY PARTNERSHIP
39 GOVERNS RELATIONS AMONG THE PARTNERS AND THE FOREIGN LIMITED
40 LIABILITY PARTNERSHIP AND THE LIABILITY OF A PARTNER FOR ANY DEBTS,

21

1 OBLIGATIONS, OR LIABILITIES OF OR CHARGEABLE TO THE FOREIGN LIMITED
2 LIABILITY PARTNERSHIP OR ANOTHER PARTNER.

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

7 (D) IT IS THE POLICY OF THIS STATE THAT THE INTERNAL AFFAIRS OF
8 PARTNERSHIPS, INCLUDING LIMITED LIABILITY PARTNERSHIPS, FORMED AND
9 EXISTING UNDER THIS TITLE, INCLUDING THE LIABILITY OF PARTNERS FOR DEBTS,
10 OBLIGATIONS, AND LIABILITIES OF OR CHARGEABLE TO PARTNERSHIPS, SHALL BE
11 SUBJECT TO AND GOVERNED BY THE LAWS OF THIS STATE.

12 (E) IT IS THE INTENT OF THE LEGISLATURE THAT THE LEGAL EXISTENCE OF
13 LIMITED LIABILITY PARTNERSHIPS FORMED AND EXISTING UNDER THIS TITLE OR A
14 PREDECESSOR STATUTE BE RECOGNIZED OUTSIDE THE BOUNDARIES OF THIS
15 STATE AND THAT THE LAWS OF THIS STATE GOVERNING SUCH LIMITED LIABILITY
16 PARTNERSHIPS TRANSACTING BUSINESS OUTSIDE THIS STATE BE GRANTED THE
17 PROTECTION OF FULL FAITH AND CREDIT UNDER THE CONSTITUTION OF THE
18 UNITED STATES.

19 (F) A FOREIGN LIMITED LIABILITY PARTNERSHIP MAY NOT BE DENIED
20 REGISTRATION UNDER SUBTITLE 11 OF THIS TITLE BY REASON OF ANY DIFFERENCE
21 BETWEEN THOSE LAWS AND THE LAWS OF THIS STATE.

22 9-107. PARTNERSHIP SUBJECT TO AMENDMENT OR REPEAL OF THIS TITLE.

23 A PARTNERSHIP GOVERNED BY THIS TITLE IS SUBJECT TO ANY AMENDMENT
24 TO OR REPEAL OF THIS TITLE.

25 SUBTITLE 2. NATURE OF PARTNERSHIP.

26 9-201. PARTNERSHIP AS ENTITY.

27 A PARTNERSHIP IS AN ENTITY DISTINCT FROM ITS PARTNERS.

28 9-202. FORMATION OF PARTNERSHIP.

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

34 (B) A PARTNERSHIP MAY BE CREATED UNDER:

35 (1) THIS TITLE;

36 (2) THE MARYLAND UNIFORM PARTNERSHIP ACT AND ITS SUBSEQUENT
37 AMENDMENTS; OR

22

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

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

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

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

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

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

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

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

21 (III) OF RENT;

22 (IV) OF AN ANNUITY OR OTHER RETIREMENT OR HEALTH BENEFIT
23 TO A BENEFICIARY, REPRESENTATIVE, OR DESIGNEE OF A DECEASED OR RETIRED
24 PARTNER;

25 (V) OF INTEREST OR OTHER CHARGE ON A LOAN, EVEN IF THE
26 AMOUNT OF PAYMENT VARIES WITH THE PROFITS OF THE BUSINESS, INCLUDING A
27 DIRECT OR INDIRECT PRESENT OR FUTURE OWNERSHIP OF THE COLLATERAL, OR
28 RIGHTS TO INCOME, PROCEEDS, OR INCREASE IN VALUE DERIVED FROM THE
29 COLLATERAL; OR

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

32 9-203. PARTNERSHIP PROPERTY.

33 PARTNERSHIP PROPERTY IS PROPERTY OF THE PARTNERSHIP AND NOT OF
34 THE PARTNERS INDIVIDUALLY.

35 9-204. WHEN PROPERTY IS PARTNERSHIP PROPERTY.

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

37 (1) THE PARTNERSHIP; OR

23

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

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

7 (1) THE PARTNERSHIP IN ITS NAME; OR

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

11 (C) PROPERTY IS PRESUMED TO BE PARTNERSHIP PROPERTY IF PURCHASED
12 WITH PARTNERSHIP ASSETS, EVEN IF NOT ACQUIRED IN THE NAME OF THE
13 PARTNERSHIP OR OF ONE OR MORE PARTNERS WITH AN INDICATION IN THE
14 INSTRUMENT TRANSFERRING TITLE TO THE PROPERTY OF THE PERSON'S CAPACITY
15 AS A PARTNER OR OF THE EXISTENCE OF A PARTNERSHIP.

16 (D) PROPERTY ACQUIRED IN THE NAME OF ONE OR MORE OF THE
17 PARTNERS, WITHOUT AN INDICATION IN THE INSTRUMENT TRANSFERRING TITLE
18 TO THE PROPERTY OF THE PERSON'S CAPACITY AS A PARTNER OR OF THE
19 EXISTENCE OF A PARTNERSHIP AND WITHOUT USE OF PARTNERSHIP ASSETS, IS
20 PRESUMED TO BE SEPARATE PROPERTY, EVEN IF USED FOR PARTNERSHIP
21 PURPOSES.

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

23 9-301. PARTNER AGENT OF PARTNERSHIP.

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

26 (1) EACH PARTNER IS AN AGENT OF THE PARTNERSHIP FOR THE
27 PURPOSE OF ITS BUSINESS. AN ACT OF A PARTNER, INCLUDING THE EXECUTION OF
28 AN INSTRUMENT IN THE PARTNERSHIP NAME, FOR APPARENTLY CARRYING ON IN
29 THE ORDINARY COURSE THE PARTNERSHIP BUSINESS OR BUSINESS OF THE KIND
30 CARRIED ON BY THE PARTNERSHIP BINDS THE PARTNERSHIP, UNLESS THE
31 PARTNER HAD NO AUTHORITY TO ACT FOR THE PARTNERSHIP IN THE PARTICULAR
32 MATTER AND THE PERSON WITH WHOM THE PARTNER WAS DEALING KNEW OR HAD
33 RECEIVED A NOTIFICATION THAT THE PARTNER LACKED AUTHORITY.

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

38 9-302. TRANSFER OF PARTNERSHIP PROPERTY.

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

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

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

11 (3) PARTNERSHIP PROPERTY HELD IN THE NAME OF ONE OR MORE
12 PERSONS OTHER THAN THE PARTNERSHIP, WITHOUT AN INDICATION IN THE
13 INSTRUMENT TRANSFERRING THE PROPERTY TO THEM OF THEIR CAPACITY AS
14 PARTNERS OR OF THE EXISTENCE OF A PARTNERSHIP, MAY BE TRANSFERRED BY
15 AN INSTRUMENT OF TRANSFER EXECUTED BY THE PERSONS IN WHOSE NAME THE
16 PROPERTY IS HELD.

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

21 (1) AS TO A SUBSEQUENT TRANSFEREE WHO GAVE VALUE FOR
22 PROPERTY TRANSFERRED UNDER SUBSECTION (A)(1) OR (2), PROVES THAT THE
23 SUBSEQUENT TRANSFEREE KNEW OR HAD RECEIVED A NOTIFICATION THAT THE
24 PERSON WHO EXECUTED THE INSTRUMENT OF INITIAL TRANSFER LACKED
25 AUTHORITY TO BIND THE PARTNERSHIP; OR

26 (2) AS TO A TRANSFEREE WHO GAVE VALUE FOR PROPERTY
27 TRANSFERRED UNDER SUBSECTION (A)(3), PROVES THAT THE TRANSFEREE KNEW
28 OR HAD RECEIVED A NOTIFICATION THAT THE PROPERTY WAS PARTNERSHIP
29 PROPERTY AND THAT THE PERSON WHO EXECUTED THE INSTRUMENT OF INITIAL
30 TRANSFER LACKED AUTHORITY TO BIND THE PARTNERSHIP.

31 (C) A PARTNERSHIP MAY NOT RECOVER PARTNERSHIP PROPERTY FROM A
32 SUBSEQUENT TRANSFEREE IF THE PARTNERSHIP WOULD NOT HAVE BEEN
33 ENTITLED TO RECOVER THE PROPERTY, UNDER SUBSECTION (B), FROM ANY
34 EARLIER TRANSFEREE OF THE PROPERTY, PROVIDED THAT THE SUBSEQUENT
35 TRANSFEREE CLAIMS BY, THROUGH OR UNDER THAT EARLIER TRANSFEREE.

36 (D) IF A PERSON HOLDS ALL OF THE PARTNERS' INTERESTS IN THE
37 PARTNERSHIP, ALL OF THE PARTNERSHIP PROPERTY VESTS IN THAT PERSON. THE
38 PERSON MAY EXECUTE A DOCUMENT IN THE NAME OF THE PARTNERSHIP TO
39 EVIDENCE VESTING OF THE PROPERTY IN THAT PERSON AND MAY FILE OR RECORD
40 THE DOCUMENT.

41 9-303. STATEMENT OF PARTNERSHIP AUTHORITY.

42 (A) A PARTNERSHIP MAY FILE A STATEMENT OF PARTNERSHIP AUTHORITY,
43 WHICH:

25

1 (1) MUST INCLUDE:

2 (I) THE NAME OF THE PARTNERSHIP;

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

5 (III) THE NAMES OF THE PARTNERS AUTHORIZED TO EXECUTE AN
6 INSTRUMENT TRANSFERRING REAL PROPERTY HELD IN THE NAME OF THE
7 PARTNERSHIP; AND

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

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

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

24 (D) A PERSON NOT A PARTNER IS DEEMED TO KNOW OF A LIMITATION ON
25 THE AUTHORITY OF A PARTNER TO TRANSFER REAL PROPERTY HELD IN THE NAME
26 OF THE PARTNERSHIP IF A STATEMENT CONTAINING THE LIMITATION ON
27 AUTHORITY HAS BEEN FILED.

28 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (C) AND (D) AND §§
29 9-704 AND 9-805 OF THIS TITLE, A PERSON NOT A PARTNER IS NOT DEEMED TO KNOW
30 OF A LIMITATION ON THE AUTHORITY OF A PARTNER MERELY BECAUSE THE
31 LIMITATION IS CONTAINED IN A FILED STATEMENT.

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

36 9-304. STATEMENT OF DENIAL.

37 A PARTNER OR OTHER PERSON NAMED AS A PARTNER IN A FILED STATEMENT
38 OF PARTNERSHIP AUTHORITY MAY FILE A STATEMENT OF DENIAL STATING THE
39 NAME OF THE PARTNERSHIP AND THE FACT THAT IS BEING DENIED, WHICH MAY
40 INCLUDE DENIAL OF A PERSON'S AUTHORITY OR STATUS AS A PARTNER. A

26

1 STATEMENT OF DENIAL IS A LIMITATION ON AUTHORITY AS PROVIDED IN § 9-303(C)
2 AND (D) OF THIS SUBTITLE.

3 9-305. PARTNERSHIP LIABLE FOR PARTNER'S ACTIONABLE CONDUCT.

4 (A) A PARTNERSHIP IS LIABLE FOR LOSS OR INJURY CAUSED TO A PERSON,
5 OR FOR A PENALTY INCURRED, AS A RESULT OF A WRONGFUL ACT OR OMISSION,
6 OR OTHER ACTIONABLE CONDUCT, OF A PARTNER ACTING IN THE ORDINARY
7 COURSE OF BUSINESS OF THE PARTNERSHIP OR WITH AUTHORITY OF THE
8 PARTNERSHIP.

9 (B) IF, IN THE COURSE OF THE PARTNERSHIP'S BUSINESS OR WHILE ACTING
10 WITH AUTHORITY OF THE PARTNERSHIP, A PARTNER RECEIVES OR CAUSES THE
11 PARTNERSHIP TO RECEIVE MONEY OR PROPERTY OF A PERSON NOT A PARTNER,
12 AND THE MONEY OR PROPERTY IS MISAPPLIED BY A PARTNER, THE PARTNERSHIP IS
13 LIABLE FOR THE LOSS.

14 9-306. PARTNER'S LIABILITY.

15 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (B) AND (C), ALL
16 PARTNERS ARE LIABLE JOINTLY AND SEVERALLY FOR ALL OBLIGATIONS OF THE
17 PARTNERSHIP UNLESS OTHERWISE AGREED BY THE CLAIMANT OR PROVIDED BY
18 LAW.

19 (B) A PERSON ADMITTED AS A PARTNER INTO AN EXISTING PARTNERSHIP
20 SHALL HAVE THE IMMUNITY FROM LIABILITY DESCRIBED UNDER § 5-351 OF THE
21 COURTS AND JUDICIAL PROCEEDINGS ARTICLE.

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

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

35 (1) THE LIABILITY OF A PARTNER OF A LIMITED LIABILITY
36 PARTNERSHIP FOR DEBTS AND OBLIGATIONS OF THE PARTNERSHIP THAT ARISE
37 FROM ANY NEGLIGENT OR WRONGFUL ACT OR OMISSION OF THE PARTNER OR OF
38 ANOTHER PARTNER, EMPLOYEE, OR AGENT OF THE PARTNERSHIP IF THE PARTNER
39 IS NEGLIGENT IN APPOINTING, DIRECTLY SUPERVISING, OR COOPERATING WITH
40 THE OTHER PARTNER, EMPLOYEE, OR AGENT;

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

4 (3) THE LIABILITY OF A PARTNER FOR DEBTS AND OBLIGATIONS OF
5 THE PARTNERSHIP, WHETHER IN CONTRACT OR IN TORT, THAT ARISE FROM OR
6 RELATE TO A CONTRACT MADE BY THE PARTNERSHIP PRIOR TO ITS REGISTRATION
7 AS A LIMITED LIABILITY PARTNERSHIP, UNLESS THE REGISTRATION WAS
8 CONSENTED TO IN WRITING BY THE PARTY TO THE CONTRACT THAT IS SEEKING TO
9 ENFORCE THE DEBT OR OBLIGATION.

10 (E) NOTHING IN SUBSECTION (C) OF THIS SECTION IS INTENDED TO RESTRICT
11 OR LIMIT IN ANY MANNER THE AUTHORITY AND DUTY OF A REGULATORY BODY
12 THAT LICENSES PROFESSIONALS WITHIN THIS STATE TO LICENSE PERSONS WHO
13 RENDER PROFESSIONAL SERVICES OR TO REGULATE THE PRACTICE OF ANY
14 PROFESSION THAT IS WITHIN THE JURISDICTION OF THE REGULATORY BODY,
15 NOTWITHSTANDING THAT THE PERSON IS A PARTNER, EMPLOYEE, OR AGENT OF A
16 LIMITED LIABILITY PARTNERSHIP AND IS RENDERING THE PROFESSIONAL
17 SERVICES OR ENGAGING IN THE PRACTICE OF THE PROFESSION THROUGH THE
18 LIMITED LIABILITY PARTNERSHIP.

19 9-307. ACTIONS BY AND AGAINST PARTNERSHIP AND PARTNERS.

20 (A) A PARTNERSHIP MAY SUE AND BE SUED IN THE NAME OF THE
21 PARTNERSHIP.

22 (B) AN ACTION MAY BE BROUGHT AGAINST THE PARTNERSHIP AND, EXCEPT
23 AS PROVIDED IN § 9-306 OF THIS SUBTITLE AND SUBSECTION (F) OF THIS SECTION,
24 ANY OR ALL OF THE PARTNERS IN THE SAME ACTION OR IN SEPARATE ACTIONS.

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

29 (D) A JUDGMENT CREDITOR OF A PARTNER MAY NOT LEVY EXECUTION
30 AGAINST THE ASSETS OF THE PARTNER TO SATISFY A JUDGMENT BASED ON A
31 CLAIM AGAINST THE PARTNERSHIP UNLESS THE CLAIM IS FOR A DEBT, OBLIGATION,
32 OR LIABILITY FOR WHICH THE PARTNER IS LIABLE UNDER § 9-306 OF THIS SUBTITLE
33 AND EITHER:

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

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

38 (3) THE PARTNER HAS AGREED THAT THE CREDITOR NEED NOT
39 EXHAUST PARTNERSHIP ASSETS;

40 (4) A COURT GRANTS PERMISSION TO THE JUDGMENT CREDITOR TO
41 LEVY EXECUTION AGAINST THE ASSETS OF A PARTNER BASED ON A FINDING THAT

28

1 PARTNERSHIP ASSETS SUBJECT TO EXECUTION ARE CLEARLY INSUFFICIENT TO
2 SATISFY THE JUDGMENT, THAT EXHAUSTION OF PARTNERSHIP ASSETS IS
3 EXCESSIVELY BURDENSOME, OR THAT THE GRANT OF PERMISSION IS AN
4 APPROPRIATE EXERCISE OF THE COURT'S EQUITABLE POWERS; OR

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

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

10 (F) A PARTNER OF A LIMITED LIABILITY PARTNERSHIP IS NOT A PROPER
11 PARTY TO A PROCEEDING BY OR AGAINST A LIMITED LIABILITY PARTNERSHIP
12 SOLELY BY REASON OF BEING A PARTNER OF THE LIMITED LIABILITY
13 PARTNERSHIP, EXCEPT WHERE THE OBJECT OF THE PROCEEDING IS:

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

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

18 9-308. LIABILITY OF PURPORTED PARTNER.

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

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

29

1 THE PERSON ACTING AND THE PARTNERS CONSENTING TO THE REPRESENTATION
2 ARE JOINTLY AND SEVERALLY LIABLE.

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

6 (D) A PERSON DOES NOT CONTINUE TO BE LIABLE AS A PARTNER MERELY
7 BECAUSE OF A FAILURE TO FILE A STATEMENT OF DISSOCIATION OR TO AMEND A
8 STATEMENT OF PARTNERSHIP AUTHORITY TO INDICATE THE PARTNER'S
9 DISSOCIATION FROM THE PARTNERSHIP.

10 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (A) AND (B) OF THIS
11 SECTION, PERSONS WHO ARE NOT PARTNERS AS TO EACH OTHER ARE NOT LIABLE
12 AS PARTNERS TO OTHER PERSONS.

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

14 9-401. PARTNER'S RIGHTS AND DUTIES.

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

16 (1) CREDITED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE
17 VALUE OF ANY OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES, THE
18 PARTNER CONTRIBUTES TO THE PARTNERSHIP AND THE PARTNER'S SHARE OF THE
19 PARTNERSHIP PROFITS; AND

20 (2) CHARGED WITH AN AMOUNT EQUAL TO THE MONEY PLUS THE
21 VALUE OF ANY OTHER PROPERTY, NET OF THE AMOUNT OF ANY LIABILITIES,
22 DISTRIBUTED BY THE PARTNERSHIP TO THE PARTNER AND THE PARTNER'S SHARE
23 OF THE PARTNERSHIP LOSSES.

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

27 (C) A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR PAYMENTS MADE
28 AND INDEMNIFY A PARTNER FOR LIABILITIES INCURRED BY THE PARTNER IN THE
29 ORDINARY COURSE OF THE BUSINESS OF THE PARTNERSHIP OR FOR THE
30 PRESERVATION OF ITS BUSINESS OR PROPERTY.

31 (D) A PARTNERSHIP SHALL REIMBURSE A PARTNER FOR AN ADVANCE TO
32 THE PARTNERSHIP BEYOND THE AMOUNT OF CAPITAL THE PARTNER AGREED TO
33 CONTRIBUTE.

34 (E) A PAYMENT OR ADVANCE MADE BY A PARTNER WHICH GIVES RISE TO A
35 PARTNERSHIP OBLIGATION UNDER SUBSECTION (C) OR (D) OF THIS SECTION
36 CONSTITUTES A LOAN TO THE PARTNERSHIP WHICH ACCRUES INTEREST FROM THE
37 DATE OF THE PAYMENT OR ADVANCE.

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

30

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

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

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

8 (J) A DIFFERENCE ARISING AS TO A MATTER IN THE ORDINARY COURSE OF
9 BUSINESS OF A PARTNERSHIP MAY BE DECIDED BY A MAJORITY OF THE PARTNERS.
10 AN ACT OUTSIDE THE ORDINARY COURSE OF BUSINESS OF A PARTNERSHIP AND AN
11 AMENDMENT TO THE PARTNERSHIP AGREEMENT MAY BE UNDERTAKEN ONLY
12 WITH THE CONSENT OF ALL OF THE PARTNERS.

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

15 9-402. DISTRIBUTIONS IN KIND.

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

18 9-403. PARTNER'S RIGHTS AND DUTIES WITH RESPECT TO INFORMATION.

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

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

29 (C) EACH PARTNER AND THE PARTNERSHIP SHALL FURNISH TO A PARTNER,
30 AND TO THE LEGAL REPRESENTATIVE OF A DECEASED PARTNER OR PARTNER
31 UNDER LEGAL DISABILITY:

32 (1) WITHOUT DEMAND, ANY INFORMATION CONCERNING THE
33 PARTNERSHIP'S BUSINESS AND AFFAIRS REASONABLY REQUIRED FOR THE PROPER
34 EXERCISE OF THE PARTNER'S RIGHTS AND DUTIES UNDER THE PARTNERSHIP
35 AGREEMENT OR THIS TITLE; AND

36 (2) ON DEMAND, ANY OTHER INFORMATION CONCERNING THE
37 PARTNERSHIP'S BUSINESS AND AFFAIRS, EXCEPT TO THE EXTENT THE DEMAND OR
38 THE INFORMATION DEMANDED IS UNREASONABLE OR OTHERWISE IMPROPER
39 UNDER THE CIRCUMSTANCES.

31

1 9-404. GENERAL STANDARDS OF PARTNER'S CONDUCT.

2 (A) THE ONLY FIDUCIARY DUTIES A PARTNER OWES TO THE PARTNERSHIP
3 AND THE OTHER PARTNERS ARE THE DUTY OF LOYALTY AND THE DUTY OF CARE
4 SET FORTH IN SUBSECTIONS (B) AND (C) OF THIS SECTION.

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

7 (1) TO ACCOUNT TO THE PARTNERSHIP AND HOLD AS TRUSTEE FOR IT
8 ANY PROPERTY, PROFIT, OR BENEFIT DERIVED BY THE PARTNER IN THE CONDUCT
9 AND WINDING UP OF THE PARTNERSHIP BUSINESS OR DERIVED FROM A USE BY THE
10 PARTNER OF PARTNERSHIP PROPERTY, INCLUDING THE APPROPRIATION OF A
11 PARTNERSHIP OPPORTUNITY;

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

15 (3) TO REFRAIN FROM COMPETING WITH THE PARTNERSHIP IN THE
16 CONDUCT OF THE PARTNERSHIP BUSINESS BEFORE THE DISSOLUTION OF THE
17 PARTNERSHIP.

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

22 (D) A PARTNER SHALL DISCHARGE THE DUTIES TO THE PARTNERSHIP AND
23 THE OTHER PARTNERS UNDER THIS TITLE OR UNDER THE PARTNERSHIP
24 AGREEMENT AND EXERCISE ANY RIGHTS CONSISTENTLY WITH THE OBLIGATION OF
25 GOOD FAITH AND FAIR DEALING.

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

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

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

36 9-405. ACTIONS BY PARTNERSHIP AND PARTNERS.

37 (A) A PARTNERSHIP MAY MAINTAIN AN ACTION AGAINST A PARTNER FOR A
38 BREACH OF THE PARTNERSHIP AGREEMENT, OR FOR THE VIOLATION OF A DUTY TO
39 THE PARTNERSHIP, CAUSING HARM TO THE PARTNERSHIP.

32

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

4 (1) ENFORCE THE PARTNER'S RIGHTS UNDER THE PARTNERSHIP
5 AGREEMENT;

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

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

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

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

16 (3) ENFORCE THE RIGHTS AND OTHERWISE PROTECT THE INTERESTS
17 OF THE PARTNER, INCLUDING RIGHTS AND INTERESTS ARISING INDEPENDENTLY
18 OF THE PARTNERSHIP RELATIONSHIP.

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

23 9-406. CONTINUATION OF PARTNERSHIP BEYOND DEFINITE TERM OR PARTICULAR
24 UNDERTAKING.

25 (A) IF A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR
26 UNDERTAKING IS CONTINUED, WITHOUT AN EXPRESS AGREEMENT, AFTER THE
27 EXPIRATION OF THE TERM OR COMPLETION OF THE UNDERTAKING, THE RIGHTS
28 AND DUTIES OF THE PARTNERS REMAIN THE SAME AS THEY WERE AT THE
29 EXPIRATION OR COMPLETION, SO FAR AS IS CONSISTENT WITH A PARTNERSHIP AT
30 WILL.

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

35 SUBTITLE 5. TRANSFEREES AND CREDITORS OF PARTNER.

36 9-501. PARTNER NOT CO-OWNER OF PARTNERSHIP PROPERTY.

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

1 9-502. PARTNER'S TRANSFERABLE INTEREST IN PARTNERSHIP.

2 THE ONLY TRANSFERABLE INTEREST OF A PARTNER IN THE PARTNERSHIP IS
3 THE PARTNER'S SHARE OF THE PROFITS AND LOSSES OF THE PARTNERSHIP AND
4 THE PARTNER'S RIGHT TO RECEIVE DISTRIBUTIONS. THE TRANSFERABLE INTEREST
5 IS PERSONAL PROPERTY.

6 9-503. TRANSFER OF PARTNER'S TRANSFERABLE INTEREST.

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

9 (1) IS PERMISSIBLE;

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

12 (3) DOES NOT, AS AGAINST THE OTHER PARTNERS OR THE
13 PARTNERSHIP, ENTITLE THE TRANSFEREE, DURING THE CONTINUANCE OF THE
14 PARTNERSHIP, TO PARTICIPATE IN THE MANAGEMENT OR CONDUCT OF THE
15 PARTNERSHIP BUSINESS, TO REQUIRE ACCESS TO INFORMATION CONCERNING
16 PARTNERSHIP TRANSACTIONS, OR TO INSPECT OR COPY THE PARTNERSHIP BOOKS
17 OR RECORDS.

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

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

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

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

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

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

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

34 (F) A TRANSFER OF A PARTNER'S TRANSFERABLE INTEREST IN THE
35 PARTNERSHIP IN VIOLATION OF A RESTRICTION ON TRANSFER CONTAINED IN THE
36 PARTNERSHIP AGREEMENT IS INEFFECTIVE AS TO A PERSON HAVING NOTICE OF
37 THE RESTRICTION AT THE TIME OF TRANSFER.

1 9-504. PARTNER'S TRANSFERABLE INTEREST SUBJECT TO CHARGING ORDER.

2 (A) ON APPLICATION BY A JUDGMENT CREDITOR OF A PARTNER OR OF A
3 PARTNER'S TRANSFEREE, A COURT HAVING JURISDICTION MAY CHARGE THE
4 TRANSFERABLE INTEREST OF THE JUDGMENT DEBTOR TO SATISFY THE JUDGMENT.
5 THE COURT MAY APPOINT A RECEIVER OF THE SHARE OF THE DISTRIBUTIONS DUE
6 OR TO BECOME DUE TO THE JUDGMENT DEBTOR IN RESPECT OF THE PARTNERSHIP
7 AND MAKE ALL OTHER ORDERS, DIRECTIONS, ACCOUNTS, AND INQUIRIES THE
8 JUDGMENT DEBTOR MIGHT HAVE MADE OR WHICH THE CIRCUMSTANCES OF THE
9 CASE MAY REQUIRE.

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

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

16 (1) BY THE JUDGMENT DEBTOR;

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

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

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

25 (E) THIS SECTION PROVIDES THE EXCLUSIVE REMEDY BY WHICH A
26 JUDGMENT CREDITOR OF A PARTNER OR PARTNER'S TRANSFEREE MAY SATISFY A
27 JUDGMENT OUT OF THE JUDGMENT DEBTOR'S TRANSFERABLE INTEREST IN THE
28 PARTNERSHIP.

29 SUBTITLE 6. PARTNER'S DISSOCIATION.

30 9-601. EVENTS CAUSING PARTNER'S DISSOCIATION.

31 A PARTNER IS DISSOCIATED FROM A PARTNERSHIP UPON THE OCCURRENCE
32 OF ANY OF THE FOLLOWING EVENTS:

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

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

38 (3) THE PARTNER'S EXPULSION PURSUANT TO THE PARTNERSHIP
39 AGREEMENT;

35

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

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

5 (II) THERE HAS BEEN A TRANSFER OF ALL OR SUBSTANTIALLY
6 ALL OF THAT PARTNER'S TRANSFERABLE INTEREST IN THE PARTNERSHIP, OTHER
7 THAN A TRANSFER FOR SECURITY PURPOSES, OR A COURT ORDER CHARGING THE
8 PARTNER'S INTEREST, WHICH HAS NOT BEEN FORECLOSED;

9 (III) WITHIN 90 DAYS AFTER THE PARTNERSHIP NOTIFIES A
10 CORPORATE PARTNER THAT IT WILL BE EXPELLED BECAUSE IT HAS FILED
11 ARTICLES OF DISSOLUTION OR THE EQUIVALENT, ITS CHARTER HAS BEEN
12 REVOKED, OR ITS RIGHT TO CONDUCT BUSINESS HAS BEEN SUSPENDED BY THE
13 JURISDICTION OF ITS INCORPORATION, THERE IS NO REVOCATION OF THE
14 ARTICLES OF DISSOLUTION OR NO REINSTATEMENT OF ITS CHARTER OR ITS RIGHT
15 TO CONDUCT BUSINESS; OR

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

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

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

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

25 (III) THE PARTNER ENGAGED IN CONDUCT RELATING TO THE
26 PARTNERSHIP BUSINESS WHICH MAKES IT NOT REASONABLY PRACTICABLE TO
27 CARRY ON THE BUSINESS IN PARTNERSHIP WITH THE PARTNER;

28 (6) THE PARTNER'S:

29 (I) BECOMING A DEBTOR IN BANKRUPTCY;

30 (II) EXECUTING AN ASSIGNMENT FOR THE BENEFIT OF
31 CREDITORS;

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

35 (IV) FAILING, WITHIN 90 DAYS AFTER THE APPOINTMENT, TO HAVE
36 VACATED OR STAYED THE APPOINTMENT OF A TRUSTEE, RECEIVER, OR
37 LIQUIDATOR OF THE PARTNER OR OF ALL OR SUBSTANTIALLY ALL OF THE
38 PARTNER'S PROPERTY OBTAINED WITHOUT THE PARTNER'S CONSENT OR
39 ACQUIESCENCE, OR FAILING WITHIN 90 DAYS AFTER THE EXPIRATION OF A STAY TO
40 HAVE THE APPOINTMENT VACATED;

36

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

2 (I) THE PARTNER'S DEATH;

3 (II) THE APPOINTMENT OF A GUARDIAN OR GENERAL
4 CONSERVATOR FOR THE PARTNER; OR

5 (III) A JUDICIAL DETERMINATION THAT THE PARTNER HAS
6 OTHERWISE BECOME INCAPABLE OF PERFORMING THE PARTNER'S DUTIES UNDER
7 THE PARTNERSHIP AGREEMENT;

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

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

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

19 9-602. PARTNER'S POWER TO DISSOCIATE; WRONGFUL DISSOCIATION.

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

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

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

25 (2) IN THE CASE OF A PARTNERSHIP FOR A DEFINITE TERM OR
26 PARTICULAR UNDERTAKING, BEFORE THE EXPIRATION OF THE TERM OR THE
27 COMPLETION OF THE UNDERTAKING:

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

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

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

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

37

1 (C) A PARTNER WHO WRONGFULLY DISSOCIATES IS LIABLE TO THE
2 PARTNERSHIP AND TO THE OTHER PARTNERS FOR DAMAGES CAUSED BY THE
3 DISSOCIATION. THE LIABILITY IS IN ADDITION TO ANY OTHER OBLIGATION OF THE
4 PARTNER TO THE PARTNERSHIP OR TO THE OTHER PARTNERS.

5 9-603. EFFECT OF PARTNER'S DISSOCIATION.

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

9 (B) UPON A PARTNER'S DISSOCIATION:

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

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

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

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

21 9-701. PURCHASE OF DISSOCIATED PARTNER'S INTEREST.

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

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

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

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

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

12 (F) IF A DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION (H) OF
13 THIS SECTION, THE PARTNERSHIP MAY TENDER A WRITTEN OFFER STATING THE
14 AMOUNT IT ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST UNDER
15 SUBSECTION (B) OF THIS SECTION, REDUCED BY ANY OFFSETS AND ACCRUED
16 INTEREST UNDER SUBSECTION (C) OF THIS SECTION, STATING THE TIME OF
17 PAYMENT AND THE OTHER TERMS AND CONDITIONS OF THE OBLIGATION.

18 (G) THE PAYMENT OR TENDER OF A WRITTEN OFFER REQUIRED BY
19 SUBSECTION (E) OR (F) OF THIS SECTION MUST BE ACCOMPANIED BY THE
20 FOLLOWING:

21 (1) A STATEMENT OF PARTNERSHIP ASSETS AND LIABILITIES AS OF THE
22 DATE OF DISSOCIATION;

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

25 (3) AN EXPLANATION OF HOW THE ESTIMATED AMOUNT OF THE
26 PAYMENT WAS CALCULATED; AND

27 (4) WRITTEN NOTICE THAT UNLESS THE DISSOCIATED PARTNER
28 COMMENCES AN ACTION TO DETERMINE THE BUYOUT PRICE, ANY OFFSETS UNDER
29 SUBSECTION (C) OF THIS SECTION, OR OTHER TERMS OF THE OBLIGATION TO
30 PURCHASE WITHIN 120 DAYS AFTER THE WRITTEN NOTICE, THE PAYMENT IS IN
31 FULL SATISFACTION OF THE OBLIGATION TO PURCHASE.

32 (H) A PARTNER WHO WRONGFULLY DISSOCIATES BEFORE THE EXPIRATION
33 OF A DEFINITE TERM OR THE COMPLETION OF A PARTICULAR UNDERTAKING IS
34 NOT ENTITLED TO PAYMENT OF ANY PORTION OF THE BUYOUT PRICE UNTIL THE
35 EXPIRATION OF THE TERM OR COMPLETION OF THE UNDERTAKING, UNLESS THE
36 PARTNER ESTABLISHES TO THE SATISFACTION OF THE COURT THAT EARLIER
37 PAYMENT WILL NOT CAUSE UNDUE HARDSHIP TO THE BUSINESS OF THE
38 PARTNERSHIP. A DEFERRED PAYMENT SHALL BEAR INTEREST.

39 (I) A DISSOCIATED PARTNER MAY MAINTAIN AN ACTION AGAINST THE
40 PARTNERSHIP, PURSUANT TO § 9-405(B)(2)(II) OF THIS TITLE, TO DETERMINE THE
41 BUYOUT PRICE OF THAT PARTNER'S INTEREST, ANY OFFSETS UNDER SUBSECTION
42 (C) OF THIS SECTION, OR OTHER TERMS OF THE OBLIGATION TO PURCHASE. THE
43 ACTION MUST BE COMMENCED WITHIN 120 DAYS AFTER THE PARTNERSHIP HAS

39

1 TENDERED PAYMENT OR A WRITTEN OFFER OR WITHIN 1 YEAR AFTER WRITTEN
2 DEMAND FOR PAYMENT IF NO PAYMENT OR WRITTEN OFFER IS TENDERED. THE
3 COURT SHALL DETERMINE THE BUYOUT PRICE OF THE DISSOCIATED PARTNER'S
4 INTEREST, ANY OFFSET DUE UNDER SUBSECTION (C) OF THIS SECTION, AND
5 ACCRUED INTEREST, AND ENTER JUDGMENT FOR ANY ADDITIONAL PAYMENT OR
6 REFUND. IF DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION (H) OF THIS
7 SECTION, THE COURT SHALL ALSO DETERMINE THE TERMS OF THE OBLIGATION TO
8 PURCHASE. THE COURT MAY ASSESS REASONABLE ATTORNEY'S FEES AND THE FEES
9 AND EXPENSES OF APPRAISERS OR OTHER EXPERTS FOR A PARTY TO THE ACTION,
10 IN AMOUNTS THE COURT FINDS EQUITABLE, AGAINST A PARTY THAT THE COURT
11 FINDS ACTED ARBITRARILY, VEXATIOUSLY, OR NOT IN GOOD FAITH. THE FINDING
12 MAY BE BASED ON THE PARTNERSHIP'S FAILURE TO TENDER PAYMENT OR A
13 WRITTEN OFFER OR TO COMPLY WITH SUBSECTION (G) OF THIS SECTION.

14 9-702. DISSOCIATED PARTNER'S POWER TO BIND AND LIABILITY TO PARTNERSHIP.

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

21 (1) REASONABLY BELIEVED THAT THE DISSOCIATED PARTNER WAS
22 THEN A PARTNER;

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

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

26 (B) A DISSOCIATED PARTNER IS LIABLE TO THE PARTNERSHIP FOR ANY
27 DAMAGE CAUSED TO THE PARTNERSHIP ARISING FROM AN OBLIGATION INCURRED
28 BY THE DISSOCIATED PARTNER AFTER DISSOCIATION FOR WHICH THE
29 PARTNERSHIP IS LIABLE UNDER SUBSECTION (A) OF THIS SECTION.

30 9-703. DISSOCIATED PARTNER'S LIABILITY TO OTHER PERSONS.

31 (A) A PARTNER'S DISSOCIATION DOES NOT OF ITSELF DISCHARGE THE
32 PARTNER'S LIABILITY FOR A PARTNERSHIP OBLIGATION INCURRED BEFORE
33 DISSOCIATION. A DISSOCIATED PARTNER IS NOT LIABLE FOR A PARTNERSHIP
34 OBLIGATION INCURRED AFTER DISSOCIATION, EXCEPT AS OTHERWISE PROVIDED
35 IN SUBSECTION (B) OF THIS SECTION.

36 (B) A PARTNER WHO DISSOCIATES WITHOUT RESULTING IN A DISSOLUTION
37 AND WINDING UP OF THE PARTNERSHIP BUSINESS IS LIABLE AS A PARTNER TO THE
38 OTHER PARTY IN A TRANSACTION ENTERED INTO BY THE PARTNERSHIP, OR A
39 SURVIVING PARTNERSHIP UNDER SUBTITLE 9 OF THIS TITLE, WITHIN 2 YEARS
40 AFTER THE PARTNER'S DISSOCIATION, ONLY IF THE OBLIGATION IS ONE FOR WHICH
41 THE PARTNER IS LIABLE UNDER § 9-306 OF THIS TITLE AND AT THE TIME OF
42 ENTERING INTO THE TRANSACTION THE OTHER PARTY:

40

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

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

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

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

9 (D) A DISSOCIATED PARTNER IS RELEASED FROM LIABILITY FOR A
10 PARTNERSHIP OBLIGATION IF A PARTNERSHIP CREDITOR, WITH NOTICE OF THE
11 PARTNER'S DISSOCIATION BUT WITHOUT THE PARTNER'S CONSENT, AGREES TO A
12 MATERIAL ALTERATION IN THE NATURE OR TIME OF PAYMENT OF A PARTNERSHIP
13 OBLIGATION.

14 9-704. STATEMENT OF DISSOCIATION.

15 (A) A DISSOCIATED PARTNER OR THE PARTNERSHIP MAY FILE A STATEMENT
16 OF DISSOCIATION STATING THE NAME OF THE PARTNERSHIP AND THAT THE
17 PARTNER IS DISSOCIATED FROM THE PARTNERSHIP.

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

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

23 9-705. CONTINUED USE OF PARTNERSHIP NAME.

24 CONTINUED USE OF A PARTNERSHIP NAME, OR A DISSOCIATED PARTNER'S
25 NAME AS PART THEREOF, BY PARTNERS CONTINUING THE BUSINESS DOES NOT OF
26 ITSELF MAKE THE DISSOCIATED PARTNER LIABLE FOR AN OBLIGATION OF THE
27 PARTNERS OR THE PARTNERSHIP CONTINUING THE BUSINESS.

28 SUBTITLE 8. WINDING UP PARTNERSHIP BUSINESS.

29 9-801. EVENTS CAUSING DISSOLUTION AND WINDING UP OF PARTNERSHIP BUSINESS.

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

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

36 (2) IN A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR
37 UNDERTAKING:

41

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

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

9 (III) THE EXPIRATION OF THE TERM OR THE COMPLETION OF THE
10 UNDERTAKING;

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

13 (4) AN EVENT THAT MAKES IT UNLAWFUL FOR ALL OR SUBSTANTIALLY
14 ALL OF THE BUSINESS OF THE PARTNERSHIP TO BE CONTINUED, BUT A CURE OF
15 ILLEGALITY WITHIN 90 DAYS AFTER NOTICE TO THE PARTNERSHIP OF THE EVENT IS
16 EFFECTIVE RETROACTIVELY TO THE DATE OF THE EVENT FOR PURPOSES OF THIS
17 SECTION;

18 (5) ON APPLICATION BY A PARTNER, A JUDICIAL DETERMINATION
19 THAT:

20 (I) THE ECONOMIC PURPOSE OF THE PARTNERSHIP IS LIKELY TO
21 BE UNREASONABLY FRUSTRATED;

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

25 (III) IT IS NOT OTHERWISE REASONABLY PRACTICABLE TO CARRY
26 ON THE PARTNERSHIP BUSINESS IN CONFORMITY WITH THE PARTNERSHIP
27 AGREEMENT; OR

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

31 (I) AFTER THE EXPIRATION OF THE TERM OR COMPLETION OF
32 THE UNDERTAKING, IF THE PARTNERSHIP WAS FOR A DEFINITE TERM OR
33 PARTICULAR UNDERTAKING AT THE TIME OF THE TRANSFER OR ENTRY OF THE
34 CHARGING ORDER THAT GAVE RISE TO THE TRANSFER; OR

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

38 9-802. PARTNERSHIP CONTINUES AFTER DISSOLUTION.

39 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A PARTNERSHIP
40 CONTINUES AFTER DISSOLUTION ONLY FOR THE PURPOSE OF WINDING UP ITS

42

1 BUSINESS. THE PARTNERSHIP IS TERMINATED WHEN THE WINDING UP OF ITS
2 BUSINESS IS COMPLETED.

3 (B) AT ANY TIME AFTER THE DISSOLUTION OF A PARTNERSHIP AND BEFORE
4 THE WINDING UP OF ITS BUSINESS IS COMPLETED, ALL OF THE PARTNERS,
5 INCLUDING ANY DISSOCIATING PARTNER OTHER THAN A WRONGFULLY
6 DISSOCIATING PARTNER, MAY WAIVE THE RIGHT TO HAVE THE PARTNERSHIP'S
7 BUSINESS WOUND UP AND THE PARTNERSHIP TERMINATED. IN THAT EVENT:

8 (1) THE PARTNERSHIP RESUMES CARRYING ON ITS BUSINESS AS IF
9 DISSOLUTION HAD NEVER OCCURRED, AND ANY LIABILITY INCURRED BY THE
10 PARTNERSHIP OR A PARTNER AFTER THE DISSOLUTION AND BEFORE THE WAIVER
11 IS DETERMINED AS IF DISSOLUTION HAD NEVER OCCURRED; AND

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

16 9-803. RIGHT TO WIND UP PARTNERSHIP BUSINESS.

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

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

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

33 9-804. PARTNER'S POWER TO BIND PARTNERSHIP AFTER DISSOLUTION.

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

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

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

1 9-805. STATEMENT OF DISSOLUTION.

2 (A) AFTER DISSOLUTION, A PARTNER WHO HAS NOT WRONGFULLY
3 DISSOCIATED MAY FILE A STATEMENT OF DISSOLUTION STATING THE NAME OF THE
4 PARTNERSHIP AND THAT THE PARTNERSHIP HAS DISSOLVED AND IS WINDING UP
5 ITS BUSINESS.

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

9 (C) FOR THE PURPOSES OF §§ 9-301 AND 9-804 OF THIS TITLE, A PERSON NOT A
10 PARTNER IS DEEMED TO HAVE NOTICE OF THE DISSOLUTION AND THE LIMITATION
11 ON THE PARTNERS' AUTHORITY AS A RESULT OF THE STATEMENT OF DISSOLUTION
12 90 DAYS AFTER IT IS FILED.

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

18 9-806. PARTNER'S LIABILITY TO OTHER PARTNERS AFTER DISSOLUTION.

19 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS SECTION
20 AND § 9-306(C) OF THIS TITLE, AFTER DISSOLUTION A PARTNER IS LIABLE TO THE
21 OTHER PARTNERS FOR THE PARTNER'S SHARE OF ANY PARTNERSHIP LIABILITY
22 INCURRED UNDER § 9-804 OF THIS SUBTITLE.

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

28 9-807. SETTLEMENT OF ACCOUNTS AND CONTRIBUTIONS AMONG PARTNERS.

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

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

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1 CONTRIBUTE TO THE PARTNERSHIP AN AMOUNT EQUAL TO ANY EXCESS OF THE
2 CHARGES OVER THE CREDITS IN THE PARTNER'S ACCOUNT BUT EXCLUDING FROM
3 THE CALCULATION CHARGES ATTRIBUTABLE TO AN OBLIGATION FOR WHICH THE
4 PARTNER IS NOT PERSONALLY LIABLE UNDER § 9-306(C) OF THIS TITLE.

5 (C) IF A PARTNER FAILS TO CONTRIBUTE THE FULL AMOUNT REQUIRED
6 UNDER SUBSECTION (B) OF THIS SECTION, ALL OF THE OTHER PARTNERS SHALL
7 CONTRIBUTE, IN THE PROPORTIONS IN WHICH THOSE PARTNERS SHARE
8 PARTNERSHIP LOSSES, THE ADDITIONAL AMOUNT NECESSARY TO SATISFY THE
9 PARTNERSHIP OBLIGATIONS FOR WHICH THEY ARE PERSONALLY LIABLE UNDER §
10 9-306(C) OF THIS TITLE. A PARTNER OR PARTNER'S LEGAL REPRESENTATIVE MAY
11 RECOVER FROM THE OTHER PARTNERS ANY CONTRIBUTIONS THE PARTNER MAKES
12 TO THE EXTENT THE AMOUNT CONTRIBUTED EXCEEDS THAT PARTNER'S SHARE OF
13 THE PARTNERSHIP OBLIGATIONS FOR WHICH THE PARTNER IS PERSONALLY LIABLE
14 UNDER § 9-306(C) OF THIS TITLE.

15 (D) AFTER THE SETTLEMENT OF ACCOUNTS, EACH PARTNER SHALL
16 CONTRIBUTE, IN THE PROPORTION IN WHICH THE PARTNER SHARES PARTNERSHIP
17 LOSSES, THE AMOUNT NECESSARY TO SATISFY PARTNERSHIP OBLIGATIONS THAT
18 WERE NOT KNOWN AT THE TIME OF THE SETTLEMENT.

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

21 (F) AN ASSIGNEE FOR THE BENEFIT OF CREDITORS OF A PARTNERSHIP OR A
22 PARTNER, OR A PERSON APPOINTED BY A COURT TO REPRESENT CREDITORS OF A
23 PARTNERSHIP OR A PARTNER, MAY ENFORCE A PARTNER'S OBLIGATION TO
24 CONTRIBUTE TO THE PARTNERSHIP.

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

31 SUBTITLE 9. MERGER.

32 9-901. MERGER IN GENERAL.

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

36 (1) PARTNERSHIPS;

37 (2) LIMITED LIABILITY COMPANIES;

38 (3) LIMITED PARTNERSHIPS;

39 (4) CORPORATIONS HAVING CAPITAL STOCK; OR

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1 (5) BUSINESS TRUSTS HAVING TRANSFERABLE UNITS OF BENEFICIAL
2 INTEREST.

3 (B) ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES, LIMITED
4 PARTNERSHIPS, CORPORATIONS HAVING CAPITAL STOCK, OR BUSINESS TRUSTS
5 HAVING TRANSFERABLE UNITS OF BENEFICIAL INTEREST MAY MERGE INTO A
6 PARTNERSHIP.

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

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

15 9-902. APPROVAL OF MERGER.

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

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

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

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

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

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

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

32 9-903. EXECUTION AND FILING OF ARTICLES OF MERGER.

33 ARTICLES OF MERGER SHALL:

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

36 (2) BE EXECUTED:

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

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

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

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

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

8 9-904. ABANDONMENT.

9 (A) UNLESS THE ARTICLES OF MERGER PRECLUDE THE RIGHT TO ABANDON
10 THE MERGER OR PERMIT SOME OTHER VOTE OR MANNER OF ABANDONMENT, A
11 PROPOSED MERGER MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE
12 ARTICLES BY:

13 (1) A MAJORITY VOTE OF THE PARTNERS OF A PARTNERSHIP PARTY TO
14 THE ARTICLES;

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

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

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

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

24 (B) IF THE ARTICLES OF MERGER HAVE BEEN FILED WITH THE
25 DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE
26 DEPARTMENT.

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

29 (2) AN ABANDONMENT DOES NOT PREJUDICE THE RIGHTS OF ANY
30 PERSON UNDER ANY OTHER CONTRACT MADE BY A PARTNERSHIP, LIMITED
31 LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION OR BUSINESS TRUST
32 PARTY TO THE PROPOSED ARTICLES OF MERGER IN CONNECTION WITH THE
33 PROPOSED MERGER.

34 9-905. RIGHTS OF OBJECTOR.

35 (A) A MEMBER OF A PARTNERSHIP OBJECTING TO A MERGER OF THE
36 PARTNERSHIP HAS THE SAME RIGHTS WITH RESPECT TO THE PARTNER'S INTEREST
37 IN THE PARTNERSHIP AS A STOCKHOLDER OF A MARYLAND CORPORATION WHO
38 OBJECTS HAS WITH RESPECT TO THE STOCKHOLDER'S STOCK UNDER TITLE 3,
39 SUBTITLE 2 OF THIS ARTICLE.

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

3 9-906. CERTIFICATES OF MERGER.

4 (A) THE DEPARTMENT SHALL PREPARE CERTIFICATES OF MERGER THAT
5 SPECIFY:

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

7 (2) THE NAME OF THE SUCCESSOR AND THE LOCATION OF ITS
8 PRINCIPAL OFFICE IN THIS STATE OR, IF IT HAS NONE, ITS PRINCIPAL PLACE OF
9 BUSINESS; AND

10 (3) THE TIME THE ARTICLES OF MERGER ARE ACCEPTED FOR RECORD
11 BY THE DEPARTMENT.

12 (B) IN ADDITION TO ANY OTHER PROVISION OF LAW WITH RESPECT TO
13 RECORDING, THE DEPARTMENT SHALL SEND ONE OF THE CERTIFICATES OF
14 MERGER TO THE CLERK OF THE CIRCUIT COURT OF EACH COUNTY IN THE STATE
15 WHERE THE ARTICLES OF MERGER SHOW THAT A MERGING PARTNERSHIP, LIMITED
16 LIABILITY COMPANY, LIMITED PARTNERSHIP, CORPORATION OR BUSINESS TRUST
17 OTHER THAN THE SUCCESSOR OWNS AN INTEREST IN LAND.

18 (C) ON RECEIPT OF A CERTIFICATE, A CLERK PROMPTLY SHALL RECORD IT
19 WITH THE LAND RECORDS.

20 9-907. PROPERTY CERTIFICATE.

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

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

31 (C) THE PROPERTY CERTIFICATE:

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

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

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

38 (2) THE DEPARTMENT SHALL:

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

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

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

9 9-908. EFFECTIVE DATE OF MERGER.

10 A MERGER IS EFFECTIVE AS OF THE LATER OF:

11 (1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF MERGER
12 FOR RECORD; OR

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

15 9-909. EFFECTS OF CONSUMMATION.

16 (A) CONSUMMATION OF A MERGER HAS THE EFFECTS PROVIDED IN THIS
17 SECTION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (3) EXCEPT AS PROVIDED IN § 9-306(C) OF THIS TITLE, ALL OBLIGATIONS
25 OF THE SURVIVING PARTNERSHIP INCURRED AFTER THE MERGER TAKES EFFECT.

26 9-910. SERVICE OF PROCESS.

27 FOLLOWING A MERGER INVOLVING ONE OR MORE PARTNERSHIPS, IF THE
28 SUCCESSOR PARTNERSHIP IS NOT A PARTNERSHIP ORGANIZED UNDER THIS
29 SUBTITLE, THERE SHALL BE INCLUDED IN THE ARTICLES OF MERGER FILED UNDER
30 § 9-903 OF THIS SUBTITLE FOR EACH PARTNERSHIP ORGANIZED UNDER THIS
31 SUBTITLE A STATEMENT THAT:

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

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

39 (3) SPECIFIES THE ADDRESS TO WHICH A COPY OF THE PROCESS SHALL
40 BE MAILED BY THE DEPARTMENT.

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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 OF 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.

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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 OF THIS ARTICLE OR RECORDED
32 UNDER § 1-406 OF 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;

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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 THIS STATE; OR

5 (4) A FOREIGN LIMITED LIABILITY PARTNERSHIP REGISTERED TO DO
6 BUSINESS IN THIS STATE 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 PARTNERSHIPS 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 THIS 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 THIS 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.

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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. LIMITED PARTNERSHIP AS LIMITED LIABILITY PARTNERSHIP.

25 (A) A LIMITED PARTNERSHIP MAY REGISTER AS A LIMITED LIABILITY
26 PARTNERSHIP BY COMPLYING WITH § 10-805 OF THIS ARTICLE.

27 (B) THE PROVISIONS OF THIS TITLE APPLICABLE TO LIMITED LIABILITY
28 PARTNERSHIPS SHALL APPLY TO A LIMITED PARTNERSHIP WHICH REGISTERS AS A
29 LIMITED LIABILITY PARTNERSHIP; PROVIDED, HOWEVER, THAT IN APPLYING THIS
30 TITLE TO SUCH A LIMITED PARTNERSHIP, ALL REFERENCES TO PARTNERS SHALL
31 MEAN GENERAL PARTNERS.

32 (C) IF A LIMITED PARTNERSHIP IS A REGISTERED LIMITED LIABILITY
33 PARTNERSHIP, § 9-306 OF THIS TITLE APPLIES TO ITS GENERAL PARTNERS AND TO
34 ANY OF ITS LIMITED PARTNERS WHO, UNDER OTHER PROVISIONS OF THIS ARTICLE,
35 ARE LIABLE FOR THE DEBTS OR OBLIGATIONS OF THE LIMITED PARTNERSHIP.

36 9-1007. FAILURE TO PAY TAXES OR REQUIRED CONTRIBUTIONS; PROCLAMATION.

37 (A) (1) EXCEPT WITH RESPECT TO A TAX COLLECTIBLE LOCALLY,
38 IMMEDIATELY AFTER SEPTEMBER 30 OF EACH YEAR, THE STATE COMPTROLLER

54

1 SHALL CERTIFY TO THE DEPARTMENT A LIST OF EVERY MARYLAND LIMITED
2 LIABILITY PARTNERSHIP THAT HAS NOT PAID A TAX DUE BEFORE OCTOBER 1 OF
3 THE YEAR AFTER THE TAX BECAME DUE.

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

10 (3) THE MAILING OF THE NOTICE IS SUFFICIENT, AND THE FAILURE OF
11 ANY LIMITED LIABILITY PARTNERSHIP TO RECEIVE THE NOTICE MAILED TO IT
12 DOES NOT AFFECT THE FORFEITURE OF ITS RIGHT TO DO BUSINESS AS A LIMITED
13 LIABILITY PARTNERSHIP IN MARYLAND AND THE RIGHT TO THE USE OF ITS NAME.

14 (B) (1) IMMEDIATELY AFTER SEPTEMBER 30 OF EACH YEAR, THE
15 SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT SHALL CERTIFY TO THE
16 DEPARTMENT A LIST OF EVERY MARYLAND LIMITED LIABILITY PARTNERSHIP THAT
17 HAS NOT PAID AN UNEMPLOYMENT INSURANCE CONTRIBUTION OR MADE A
18 REIMBURSEMENT PAYMENT DUE BEFORE OCTOBER 1 OF THE YEAR AFTER THE
19 CONTRIBUTION OR PAYMENT BECAME DUE.

20 (2) WHEN THE SECRETARY CERTIFIES THE LIST TO THE DEPARTMENT,
21 THE SECRETARY SHALL MAIL TO EACH LISTED LIMITED LIABILITY PARTNERSHIP,
22 AT ITS ADDRESS AS IT APPEARS ON THE SECRETARY'S RECORDS, A NOTICE THAT ITS
23 RIGHT TO DO BUSINESS AS A LIMITED LIABILITY PARTNERSHIP IN MARYLAND AND
24 THE RIGHT TO THE USE OF ITS NAME WILL BE FORFEITED UNLESS ALL
25 CONTRIBUTIONS, REIMBURSEMENT PAYMENTS, INTEREST, AND PENALTIES DUE BY
26 THE LIMITED LIABILITY PARTNERSHIP ARE PAID.

27 (3) THE MAILING OF THE NOTICE IS SUFFICIENT, AND THE FAILURE OF
28 ANY LIMITED LIABILITY PARTNERSHIP TO RECEIVE THE NOTICE MAILED TO IT
29 DOES NOT AFFECT THE FORFEITURE OF ITS RIGHT TO DO BUSINESS AS A LIMITED
30 LIABILITY PARTNERSHIP IN MARYLAND AND THE RIGHT TO THE USE OF ITS NAME.

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

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

1 9-1008. NOTICE OF PROCLAMATION; REINSTATEMENT UPON PAYMENT.

2 (A) WITHIN 10 DAYS AFTER THE ISSUANCE OF THE PROCLAMATION, THE
3 DEPARTMENT SHALL MAIL NOTICE OF THE PROCLAMATION TO EACH LIMITED
4 LIABILITY PARTNERSHIP NAMED IN IT. THE NOTICE SHALL BE ADDRESSED TO THE
5 LIMITED LIABILITY PARTNERSHIP AT ITS MAILING ADDRESS ON FILE WITH THE
6 DEPARTMENT OR, IF NONE, AT ANY OTHER ADDRESS APPEARING ON THE RECORDS
7 OF THE DEPARTMENT.

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

14 9-1009. CORRECTIVE PROCLAMATION.

15 (A) IF THE DEPARTMENT IS SATISFIED THAT A LIMITED LIABILITY
16 PARTNERSHIP NAMED IN THE PROCLAMATION HAS NOT FAILED TO PAY THE TAX,
17 UNEMPLOYMENT INSURANCE CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS,
18 OR FILE THE REPORT WITHIN THE PERIOD SPECIFIED IN § 9-1006 OF THIS SUBTITLE,
19 OR THAT IT HAS BEEN MISTAKENLY REPORTED TO THE DEPARTMENT BY THE
20 STATE COMPTROLLER OR THE SECRETARY OF THE DEPARTMENT OF BUSINESS AND
21 ECONOMIC DEVELOPMENT, THE DEPARTMENT MAY CORRECT THE MISTAKE BY
22 FILING ITS PROCLAMATION TO THAT EFFECT IN ITS RECORDS.

23 (B) THE EFFECT OF A PROCLAMATION CORRECTING A MISTAKE IS TO
24 RESTORE THE RIGHT TO DO BUSINESS AS A LIMITED LIABILITY PARTNERSHIP IN
25 MARYLAND AND THE RIGHT TO THE USE OF THE NAME OF THE LIMITED LIABILITY
26 PARTNERSHIP AS IF THE RIGHT TO DO BUSINESS AS A LIMITED LIABILITY
27 PARTNERSHIP IN MARYLAND AND THE RIGHT TO THE USE OF THE NAME HAD AT
28 ALL TIMES REMAINED IN FULL FORCE AND EFFECT.

29 9-1010. EFFECT ON OTHER LAWS.

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

32 (1) FOR THE COLLECTION OF TAXES, UNEMPLOYMENT INSURANCE
33 CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS AND THE INTEREST AND
34 PENALTIES DUE ON THEM; OR

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

36 9-1011. CERTIFICATE OF REINSTATEMENT - FILING.

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

56

1 9-1012. SAME -- CONTENTS.

2 (A) A CERTIFICATE OF REINSTATEMENT SHALL INCLUDE:

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

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

8 (3) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE LIMITED
9 LIABILITY PARTNERSHIP IN THIS STATE IF DIFFERENT FROM ITS PRINCIPAL OFFICE
10 IN THIS STATE AT THE TIME THE RIGHT TO DO BUSINESS IN MARYLAND WAS
11 FORFEITED; AND

12 (4) THE NAME AND ADDRESS OF THE RESIDENT AGENT OF THE
13 LIMITED LIABILITY PARTNERSHIP.

14 (B) A CERTIFICATE OF REINSTATEMENT SHALL BE EXECUTED BY A PERSON
15 AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE SUCH A
16 CERTIFICATE.

17 9-1013. CONDITIONS OF ACCEPTANCE.

18 THE DEPARTMENT MAY NOT ACCEPT A CERTIFICATE OF REINSTATEMENT FOR
19 RECORD UNLESS:

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

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

28 9-1014. SAME - ACCEPTANCE AS EVIDENCE OF COMPLIANCE.

29 EXCEPT IN A PROCEEDING BY THIS STATE OR ANY OF ITS POLITICAL
30 SUBDIVISIONS, THE ACCEPTANCE OF A CERTIFICATE OF REINSTATEMENT FOR
31 RECORD BY THE DEPARTMENT IS CONCLUSIVE EVIDENCE OF:

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

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

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

57

1 9-1015. PENALTIES FOR TRANSACTING BUSINESS.

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

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

10 9-1016. NO BAR TO VALID ACTS OR DEFENSE OF SUIT.

11 THE FORFEITURE OF THE RIGHT TO DO BUSINESS IN MARYLAND AND THE
12 RIGHT TO THE USE OF THE NAME OF THE LIMITED LIABILITY PARTNERSHIP UNDER
13 THIS TITLE DOES NOT:

14 (1) IMPAIR THE VALIDITY OF A CONTRACT OR ACT OF THE LIMITED
15 LIABILITY PARTNERSHIP ENTERED INTO OR DONE EITHER BEFORE OR AFTER THE
16 FORFEITURE, OR PREVENT THE LIMITED LIABILITY PARTNERSHIP FROM
17 DEFENDING ANY ACTION, SUIT, OR PROCEEDING IN A COURT OF THIS STATE; AND

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

22 SUBTITLE 11. FOREIGN LIMITED LIABILITY PARTNERSHIPS.

23 9-1101. REGISTRATION.

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

27 (B) IN ORDER TO REGISTER, A FOREIGN LIMITED LIABILITY PARTNERSHIP
28 SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION FOR REGISTRATION AS A
29 FOREIGN LIMITED LIABILITY PARTNERSHIP EXECUTED BY AN AUTHORIZED
30 PERSON AND SETTING FORTH:

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

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

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

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

58

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

7 (6) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED IN
8 THE STATE OF ITS ORGANIZATION BY THE LAWS OF THAT STATE OR, IF NOT SO
9 REQUIRED, OF THE PRINCIPAL OFFICE OF THE FOREIGN LIMITED LIABILITY
10 PARTNERSHIP.

11 9-1102. ISSUANCE OF REGISTRATION.

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

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

17 (2) RECORD PROMPTLY THE DOCUMENT;

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

20 (4) RETURN THE CERTIFICATE OF REGISTRATION TO THE PERSON WHO
21 FILED THE APPLICATION OR A REPRESENTATIVE OF THE PERSON WHO FILED THE
22 APPLICATION.

23 9-1103. NAME.

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

28 9-1104. CHANGES AND AMENDMENTS.

29 IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A FOREIGN
30 LIMITED LIABILITY PARTNERSHIP IS FALSE WHEN MADE OR ANY ARRANGEMENTS
31 OR OTHER FACTS DESCRIBED HAVE CHANGED MAKING THE APPLICATION
32 INACCURATE IN ANY RESPECT, THE FOREIGN LIMITED LIABILITY PARTNERSHIP
33 SHALL PROMPTLY FILE WITH THE DEPARTMENT A CERTIFICATE, EXECUTED BY AN
34 AUTHORIZED PERSON, CORRECTING THE STATEMENT.

35 9-1105. CANCELLATION OF REGISTRATION.

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

39 (B) THE FILING OF A CERTIFICATE OF CANCELLATION DOES NOT TERMINATE
40 THE AUTHORITY OF THE DEPARTMENT TO ACCEPT SERVICE OF PROCESS ON THE

59

1 FOREIGN LIMITED LIABILITY PARTNERSHIP WITH RESPECT TO CAUSES OF ACTION
2 ARISING OUT OF DOING BUSINESS IN THIS STATE.

3 9-1106. DOING BUSINESS WITHOUT REGISTRATION.

4 (A) IF A FOREIGN LIMITED LIABILITY PARTNERSHIP IS DOING OR HAS DONE
5 ANY INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT
6 COMPLYING WITH THE REQUIREMENTS OF THIS SUBTITLE, THE FOREIGN LIMITED
7 LIABILITY PARTNERSHIP AND ANY PERSON CLAIMING UNDER IT MAY NOT
8 MAINTAIN SUIT IN ANY COURT OF THIS STATE, UNLESS THE LIMITED LIABILITY
9 PARTNERSHIP SHOWS TO THE SATISFACTION OF THE COURT THAT:

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

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

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

18 (B) THE FAILURE OF A FOREIGN LIMITED LIABILITY PARTNERSHIP TO
19 REGISTER IN THIS STATE DOES NOT IMPAIR THE VALIDITY OF A CONTRACT OR ACT
20 OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR PREVENT THE FOREIGN
21 LIMITED LIABILITY PARTNERSHIP FROM DEFENDING ANY ACTION, SUIT, OR
22 PROCEEDING IN A COURT OF THIS STATE.

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

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

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

34 (2) EACH MEMBER OF A FOREIGN LIMITED LIABILITY PARTNERSHIP
35 THAT DOES INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE
36 WITHOUT REGISTERING, AND EACH AGENT OF THE FOREIGN LIMITED LIABILITY
37 PARTNERSHIP WHO TRANSACTS INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS
38 IN THIS STATE FOR IT IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS
39 SUBJECT TO A FINE OF NOT MORE THAN \$1,000.

60

1 9-1107. ACTION OF ATTORNEY GENERAL.

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

5 9-1108. DOING BUSINESS.

6 (A) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY NOT CONSTITUTE
7 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, THE
8 FOLLOWING ACTIVITIES OF A FOREIGN LIMITED LIABILITY PARTNERSHIP DO NOT
9 CONSTITUTE DOING BUSINESS IN THIS STATE:

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

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

14 (3) MAINTAINING BANK ACCOUNTS;

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

17 (5) FORECLOSING MORTGAGES AND DEEDS OF TRUST ON PROPERTY IN
18 THIS STATE;

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

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

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

27 (B) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY CONSTITUTE
28 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE ANY
29 FOREIGN LIMITED LIABILITY PARTNERSHIP WHICH OWNS INCOME PRODUCING
30 REAL OR TANGIBLE PERSONAL PROPERTY IN THIS STATE, OTHER THAN PROPERTY
31 EXEMPTED BY SUBSECTION (A) OF THIS SECTION, SHALL BE CONSIDERED TO BE
32 DOING BUSINESS IN THIS STATE.

33 9-1109. ASSENT TO STATE LAWS.

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

36 9-1110. COMPLIANCE WITH SUBTITLE IS NOT CONSENT TO SUIT.

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

61

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

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

4 9-1111. FORFEITURE OF RIGHT TO DO BUSINESS.

5 (A) THE DEPARTMENT MAY FORFEIT THE RIGHT OF ANY FOREIGN LIMITED
6 LIABILITY PARTNERSHIP TO DO BUSINESS AS A FOREIGN LIMITED LIABILITY
7 PARTNERSHIP IN THIS STATE IF THE LIMITED LIABILITY PARTNERSHIP FAILS TO
8 FILE WITH THE DEPARTMENT ANY REPORT OR FAILS TO PAY ANY LATE FILING
9 PENALTIES REQUIRED BY LAW:

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

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

13 (B) UNLESS THE DEPARTMENT EXCUSES A REASONABLE DELAY FOR GOOD
14 CAUSE SHOWN, THE FORFEITURE IS EFFECTIVE 15 DAYS AFTER WRITTEN NOTICE OF
15 FORFEITURE FROM THE DEPARTMENT, WITHOUT PROCEEDINGS OF ANY KIND
16 EITHER AT LAW OR IN EQUITY.

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

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

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

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

28 SUBTITLE 12. MISCELLANEOUS PROVISIONS.

29 9-1201. UNIFORMITY OF APPLICATION AND CONSTRUCTION.

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

33 9-1202. SHORT TITLE.

34 THIS TITLE MAY BE CITED AS THE MARYLAND REVISED UNIFORM
35 PARTNERSHIP ACT.

62

1 9-1203. SEVERABILITY CLAUSE.

2 IF ANY PROVISION OF THIS TITLE OR ITS APPLICATION TO ANY PERSON OR
3 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER
4 PROVISIONS OR APPLICATIONS OF THIS TITLE WHICH CAN BE GIVEN EFFECT
5 WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE
6 PROVISIONS OF THIS TITLE ARE SEVERABLE.

7 9-1204. APPLICABILITY.

8 (A) BEFORE JANUARY 1, 2003, THIS TITLE GOVERNS ONLY A PARTNERSHIP
9 FORMED:

10 (1) AFTER ~~OCTOBER 1, 1997~~ JULY 1, 1998, UNLESS THAT PARTNERSHIP IS
11 CONTINUING THE BUSINESS OF A DISSOLVED PARTNERSHIP UNDER § 9-601 OF THE
12 CORPORATIONS AND ASSOCIATIONS ARTICLE IN EFFECT IMMEDIATELY PRIOR TO
13 ~~OCTOBER 1, 1997~~ JULY 1, 1998; OR

14 (2) BEFORE ~~OCTOBER 1, 1997~~ JULY 1, 1998, THAT ELECTS, AS PROVIDED
15 BY SUBSECTION (C), TO BE GOVERNED BY THIS TITLE.

16 (B) AFTER DECEMBER 31, 2002, THIS TITLE GOVERNS ALL PARTNERSHIPS.

17 (C) BEFORE JANUARY 1, 2003, A PARTNERSHIP VOLUNTARILY MAY ELECT, IN
18 THE MANNER PROVIDED IN ITS PARTNERSHIP AGREEMENT OR BY LAW FOR
19 AMENDING THE PARTNERSHIP AGREEMENT, TO BE GOVERNED BY THIS TITLE. WITH
20 RESPECT TO LIABILITIES OF THE PARTNERSHIP ARISING AFTER SUCH ELECTION,
21 THE PROVISIONS OF THIS TITLE RELATING TO THE LIABILITY OF THE
22 PARTNERSHIP'S PARTNERS TO THIRD PARTIES, OTHER THAN THOSE PROVISIONS
23 DEALING WITH REGISTERED LIMITED LIABILITY PARTNERSHIPS, APPLY TO LIMIT
24 THOSE PARTNERS' LIABILITY TO A THIRD PARTY WHO HAD DONE BUSINESS WITH
25 THE PARTNERSHIP WITHIN 1 YEAR PRIOR TO THE PARTNERSHIP'S ELECTION TO BE
26 GOVERNED BY THIS TITLE, ONLY IF THE THIRD PARTY KNOWS OR HAS RECEIVED A
27 NOTIFICATION OF THE PARTNERSHIP'S ELECTION TO BE GOVERNED BY THIS TITLE
28 BEFORE THE LIABILITY IS INCURRED.

29 9-1205. SAVINGS CLAUSE.

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

32 10-101.

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

35 (b) "Certificate" means the certificate referred to in § 10-201 OF THIS ARTICLE,
36 the certificate as amended, and the certificate of cancellation.

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

38 (d) "Contribution" means any cash, property, services rendered, or a promissory
39 note or other binding obligation to contribute cash or property or to perform services,

63

1 which a partner contributes as capital to a limited partnership in that individual's capacity
2 as a partner.

3 (e) "Event of withdrawal of a general partner" means an event that causes a
4 person to cease to be a general partner as provided in § 10-402 OF THIS TITLE.

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

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

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

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

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

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

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

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

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

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

32 10-106.

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

35 10-208.

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

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

64

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

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

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

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

10 (b) Unless the partnership agreement provides otherwise, a domestic limited
11 partnership may merge into one or more domestic or foreign PARTNERSHIPS, limited
12 partnerships or limited liability companies, corporations having capital stock, or business
13 trusts having transferable units of beneficial interest; or one or more domestic or foreign
14 PARTNERSHIPS, limited partnerships or limited liability companies, corporations having
15 capital stock, or business trusts having transferable units of beneficial interest may merge
16 into a domestic limited partnership.

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

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

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

24 [(2)] (3) Unless the partnership agreement provides otherwise, a limited
25 partnership shall approve the proposed merger by the affirmative vote of all of the
26 general partners and a majority in interest of the limited partners;

27 [(3)] (4) A foreign limited partnership party to the merger shall have the
28 merger advised, authorized, and approved in the manner and by the vote required by the
29 laws of the place where it is organized;

30 [(4)] (5) A limited liability company shall approve the merger in the manner
31 provided under § 4A-703 of this article; and

32 [(5)] (6) A foreign limited liability company shall have the merger advised,
33 authorized, and approved in the manner and by the vote required by the laws of the place
34 where it is organized.

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

37 (1) Executed:

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

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

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

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

10 (2) Filed for record with the Department.

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

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

15 (ii) A majority vote of the entire board of directors of any corporation
16 party to the articles;

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

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

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

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

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

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

31 (f) Each limited partner of a limited partnership objecting to a merger of the
32 limited partnership has the same rights with respect to its partnership interest as an
33 objecting stockholder of a Maryland corporation has with respect to its stock under Title
34 3, Subtitle 2 of this article. The procedures under that subtitle shall be applicable to the
35 extent practicable.

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

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

66

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

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

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

10 (3) On receipt of a certificate of merger, a clerk promptly shall record it
11 with the land records.

12 (h) (1) In order to keep the land assessment records current in each county, the
13 Department shall require a PARTNERSHIP, limited partnership, corporation, limited
14 liability company, or business trust to submit with the articles of merger a property
15 certificate for each county where a merging PARTNERSHIP, limited partnership,
16 corporation, limited liability company, or business trust other than the successor owns an
17 interest in land.

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

21 (3) The property certificate shall be in the form and number of copies that
22 the Department requires and may include the certificate of the Department required by
23 subsection (g) of this section.

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

26 (ii) The Department shall indicate on the property certificate the time
27 the articles of merger are accepted for record and send a copy of the property certificate
28 to the chief assessor of the county where the property is located.

29 (5) A transfer, vesting, or devolution of title to the property is not
30 invalidated or otherwise affected by any error or defect in the property certificate, failure
31 to file the property certificate, or failure by the Department to act on the property
32 certificate.

33 (i) A merger is effective as of the later of:

34 (1) The time the Department accepts the articles of merger for record; or

35 (2) The time established under the articles of merger, not to exceed 30 days
36 after the articles of merger are accepted for record.

37 (j) (1) Consummation of a merger has the effects provided in this subsection.

67

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

4 (3) The partnership interest of each partner of a limited partnership party
5 to the articles of merger that are to be converted or exchanged under the terms of the
6 articles of merger cease to exist, subject to the rights of an objecting limited partner under
7 subsection (f) of this section.

8 (4) In addition to any other purposes and powers set forth in the articles of
9 merger, if the articles provide, the successor has the purpose and powers of each party to
10 the articles.

11 (5) (i) The assets of each party to the articles of merger, including any
12 legacies that it would have been capable of taking, transfer to, vest in, and devolve on the
13 successor without further act or deed.

14 (ii) Confirmatory deeds, assignments or similar instruments to
15 evidence the transfer may be executed and delivered at any time in the name of the
16 transferring party to the articles of merger by its last acting general partners, officers,
17 authorized persons, or trustees or by the appropriate general partners, officers,
18 authorized persons, or trustees of the successor.

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

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

29 (k) If, following a merger involving one or more domestic limited partnerships,
30 the successor PARTNERSHIP OR limited partnership is not a domestic PARTNERSHIP OR
31 limited partnership, there shall be included in the articles of merger filed pursuant to
32 subsection (d)(1) of this section for each domestic limited partnership a statement that
33 the successor PARTNERSHIP OR limited partnership agrees that it may be served with
34 process in the State of Maryland in any action, suit, or proceeding for the enforcement of
35 any obligation of the domestic limited partnership that arose before the merger,
36 irrevocably appointing the Department as its agent to accept service of process in any
37 such action, suit, or proceeding and specifying the address to which a copy of the process
38 shall be mailed to it by the Department.

39 10-402.

40 A person ceases to be a general partner of a limited partnership upon the
41 happening of any of the following events:

68

1 (1) The person's withdrawal from the limited partnership as provided in §
2 10-602 OF THIS TITLE;

3 (2) The person's removal as a general partner in accordance with the
4 partnership agreement;

5 (3) Unless otherwise provided in the partnership agreement or with the
6 consent of all partners, the person's:

7 (i) Making an assignment for the benefit of creditors;

8 (ii) Filing a voluntary petition in bankruptcy;

9 (iii) Being adjudged bankrupt or insolvent or having entered against
10 him an order of relief in any bankruptcy or insolvency proceeding;

11 (iv) Filing a petition or answer seeking for himself any reorganization,
12 arrangement, composition, readjustment, liquidation, dissolution, or similar relief under
13 any statute, law, or regulation;

14 (v) Filing an answer or other pleading admitting or failing to contest
15 the material allegations of a petition filed against him in any proceeding of this nature; or

16 (vi) Seeking, consenting to, or acquiescing in, the appointment of a
17 trustee, receiver, or liquidation of the general partner or of all or any substantial part of
18 his properties;

19 (4) Unless otherwise provided in the partnership agreement or with the
20 consent of all partners, the continuation of any proceeding against him seeking
21 reorganization, arrangement, composition, readjustment, liquidation, dissolution, or
22 similar relief under any statute, law, or regulation, for 120 days after the commencement
23 thereof or the appointment of a trustee, receiver, or liquidator for the general partner or
24 all or any substantial part of his properties without his agreement or acquiescence, which
25 appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120
26 days after the expiration of the stay during which period the appointment is not vacated;

27 (5) In the case of a general partner who is an individual, the individual's:

28 (i) Death; or

29 (ii) Adjudication by a court of competent jurisdiction as incompetent
30 to manage his person or his property;

31 (6) In the case of a general partner who is acting as a general partner by
32 virtue of being a trustee of a trust, the termination of the trust (but not merely the
33 substitution of a new trustee);

34 (7) In the case of a general partner that is a separate partnership OR
35 LIMITED PARTNERSHIP, the dissolution and commencement of winding up of the
36 separate partnership OR LIMITED PARTNERSHIP;

37 (8) In the case of a general partner that is a corporation, the dissolution of
38 the corporation or the revocation of its charter; or

69

1 (9) In the case of a general partner that is an estate, the distribution by the
2 fiduciary of the estate's entire interest in the partnership.

3 10-403.

4 (a) Except as provided in this title or in the partnership agreement, a general
5 partner of a limited partnership has the rights and powers and is subject to the
6 restrictions and liabilities of a partner in a partnership [without limited partners].

7 (b) A general partner may not limit the general partner's liability in the
8 partnership agreement to persons other than his partners or the LIMITED partnership.

9 10-607.

10 A partner may not receive a return of his contribution to a limited partnership to
11 the extent that, after giving effect to the return of his contribution, all liabilities of the
12 limited partnership, other than liabilities to partners for the return of their contributions,
13 exceed the fair value of the LIMITED partnership assets.

14 10-608.

15 (a) (1) If a limited partner has received the return of any part of his
16 contribution without violation of the certificate, partnership agreement, or this title, he is
17 liable to the limited partnership for a period of 1 year thereafter for the amount of the
18 returned contribution, but only to the extent necessary to discharge the limited
19 partnership's liabilities to creditors who extended credit to the limited partnership during
20 the period the contribution was held by the LIMITED partnership.

21 (2) If a limited partner has received the return of any part of his
22 contribution in violation of the certificate, partnership agreement, or this title, he is liable
23 to the limited partnership for a period of 6 years thereafter for the amount of the
24 contribution wrongfully returned.

25 (b) A limited partner receives a return of his contribution to the extent that, after
26 a distribution to him, his share of the fair value of the net assets of the limited partnership
27 is less than the value of his total contribution as reflected in the certificate minus all
28 distributions in return of his contribution made prior to the distribution.

29 10-912.

30 (a) If a foreign limited partnership that owns property, rights, privileges,
31 franchises, or other assets located in this State is a party to a merger in which a foreign
32 corporation, FOREIGN PARTNERSHIP, FOREIGN LIMITED LIABILITY COMPANY, or
33 another foreign limited partnership is the successor, the transfer to, vesting in, or
34 devolution on the successor of the property, rights, privileges, franchises, or other assets
35 of the nonsurviving foreign limited partnership is effective as provided by the laws of the
36 place that governs the merger.

37 (b) The successor shall file with the Department:

38 (1) A property certificate under § 3-112 or § 10-208(h) of this article, or
39 both; and

40 (2) A certificate [of its general partners] that specifies:

70

1 (i) Each county in the State where a foreign limited partnership party
2 to the merger, except the successor, owned an interest in land;

3 (ii) The name of each party to the merger;

4 (iii) The place under the laws of which each party was organized;

5 (iv) The name of the successor; and

6 (v) If the successor is a foreign limited partnership, OR FOREIGN
7 PARTNERSHIP, the name and business, residence, or mailing address of each of the
8 general partners of the successor.

9 (3) THE CERTIFICATE SHALL BE EXECUTED:

10 (I) IN THE CASE OF A PARTNERSHIP, IN THE MANNER REQUIRED
11 IN § 9-903 OF THIS ARTICLE;

12 (II) IN THE CASE OF A LIMITED PARTNERSHIP, BY ALL OF THE
13 GENERAL PARTNERS;

14 (III) IN THE CASE OF A LIMITED LIABILITY COMPANY IN THE
15 MANNER REQUIRED IN § 4A-206 OF THIS ARTICLE; AND

16 (IV) IN THE CASE OF A CORPORATION OR BUSINESS TRUST, IN THE
17 MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

18 (c) If a copy of the document effecting the merger has not been filed with the
19 Department as provided in Title 10 of this article, the successor shall file with the
20 Department an officially certified copy of that document.

21 (d) When the Department receives the articles and any certificate of the
22 successor, it shall prepare and file certificates of merger in the manner provided for
23 Maryland limited partnerships. However, the certificate of merger need not state the
24 principal office in the State of any [limited partnership] SUCCESSOR that does not have
25 a principal office, and the certificate shall include the other information specified in the
26 certificate filed by the successor.

27 10-1001.

28 A limited partner may bring a derivative action to enforce a right of a limited
29 partnership to recover a judgment in its favor to the same extent that a stockholder may
30 bring an action for a derivative suit under the corporation law of Maryland. Such an
31 action may be brought if general partners with authority to do so have refused to bring the
32 action or if an effort to cause those general partners to bring the action is not likely to
33 succeed. The derivative action may not be maintained if it appears that the plaintiff does
34 not fairly and adequately represent the interests of the limited partners in enforcing the
35 right of the LIMITED partnership.

71

1 **Article - Tax - General**

2 4-301.

3 (c) If a limited liability company, OR LIMITED LIABILITY PARTNERSHIP,
4 INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY
5 LIMITED PARTNERSHIP, is required to pay the admissions and amusement tax, personal
6 liability for the tax and interest AND penalties on the tax extends to any person who
7 exercises direct control over the fiscal management of the limited liability company OR
8 LIMITED LIABILITY PARTNERSHIP.

9 10-906.

10 (d) If an employer or payor negligently fails to withhold or to pay income tax in
11 accordance with subsection (a) of this section, personal liability for that income tax
12 extends:

13 (3) if the employer or payor is a limited liability company as defined under
14 Title 4A of the Corporations and Associations Article OR A LIMITED LIABILITY
15 PARTNERSHIP AS DEFINED UNDER TITLE 9 OF THE CORPORATIONS AND
16 ASSOCIATIONS ARTICLE, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A
17 LIMITED LIABILITY LIMITED PARTNERSHIP, to:

18 (i) any person who exercises direct control over its fiscal management;
19 and

20 (ii) any agent of the limited liability company OR LIMITED LIABILITY
21 PARTNERSHIP who is required to withhold and pay the income tax.

22 11-601.

23 (d) If a buyer or vendor liable for the sales and use tax and for the interest and
24 penalties of the tax under subsection (c) of this section is a corporation or limited liability
25 company OR LIMITED LIABILITY PARTNERSHIP (INCLUDING A LIMITED
26 PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP),
27 personal liability for the sales and use tax and for the interest and penalties of the tax
28 extends to:

29 (1) in the case of a corporation:

30 (i) the president, vice president or treasurer of the corporation; and

31 (ii) any officer of the corporation who directly or indirectly owns more
32 than 20% of the stock of the corporation; and

33 (2) in the case of a limited liability company:

34 (i) if the limited liability company does not have an operating
35 agreement, all members; or

36 (ii) if the limited liability company has an operating agreement, those
37 individuals who manage the business and affairs of the limited liability company[.]; AND

38 (3) IN THE CASE OF A LIMITED LIABILITY PARTNERSHIP:

72

1 (I) IF THE LIMITED LIABILITY PARTNERSHIP DOES NOT HAVE A
2 WRITTEN PARTNERSHIP AGREEMENT, ALL GENERAL PARTNERS; OR

3 (II) IF THE LIMITED LIABILITY PARTNERSHIP HAS A WRITTEN
4 PARTNERSHIP AGREEMENT, THOSE INDIVIDUALS WHO MANAGE THE BUSINESS AND
5 AFFAIRS OF THE LIMITED LIABILITY PARTNERSHIP.

6 (G) THE SAME RULES AND EXCEPTIONS APPLICABLE TO A MEMBER OF A
7 LIMITED LIABILITY COMPANY SET FORTH IN SUBSECTIONS (E) AND (F) OF THIS
8 SECTION SHALL BE APPLICABLE TO INDIVIDUALS AND MEMBERS OF LIMITED
9 LIABILITY PARTNERSHIPS.

10 **Article - Tax - Property**

11 12-101.

12 (c) (1) "Instrument of writing" means a written instrument that:

13 (i) conveys title to or creates or gives notice of a security interest in
14 real property; or

15 (ii) creates or gives notice of a security interest in personal property.

16 (2) "Instrument of writing" includes:

17 (i) a deed or contract;

18 (ii) a mortgage, deed of trust, or other contract that creates an
19 encumbrance on real property;

20 (iii) a lease of real property;

21 (iv) an assignment of a lessee's interest in real property;

22 (v) articles of transfer;

23 (vi) a security agreement;

24 (vii) articles of merger or other document which evidences a merger of
25 foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or
26 foreign limited partnerships; and

27 (viii) articles of consolidation or other document which evidences a
28 consolidation of foreign corporations.

29 (i) "Articles of merger" means a document filed with the Department under §
30 3-107, § 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article which
31 evidences a merger involving at least one Maryland corporation, Maryland limited
32 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

33 (k) "Documents which evidence the merger or consolidation of foreign
34 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
35 limited partnerships" means those documents that are filed or recorded with:

73

1 (1) the Department under § 3-117, § 4A-1012, § 9-910, or § 10-912 of the
2 Corporations and Associations Article; or

3 (2) the clerk of the circuit court of a county evidencing that title to real
4 property has been conveyed through a merger or consolidation of 2 or more foreign
5 corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or foreign
6 limited partnerships.

7 12-103.

8 (d) For articles of transfer, articles of merger, or articles of consolidation filed
9 with the Department under § 3-107 of the Corporations and Associations Article, or
10 other document filed with the Department which evidences a merger or consolidation of
11 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
12 foreign limited partnerships, the recordation tax rate is \$1.65. The Department shall
13 collect the recordation tax when the articles of transfer, articles of merger, articles of
14 consolidation, or other document which evidences a merger or consolidation of foreign
15 corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or foreign
16 limited partnerships are filed.

17 12-105.

18 (g) (1) For a transfer under § 12-106 of this title, the recordation tax applies to
19 the value of the real property determined by the Department at the date of finality
20 immediately before the date of transfer.

21 (2) For a transfer by articles of merger, articles of consolidation, or other
22 documents which evidence a merger or consolidation of foreign corporations, foreign
23 limited liability companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships,
24 the recordation tax applies to the value of the real property determined by the
25 Department at the date of finality immediately before the date of the merger or
26 consolidation.

27 12-109.

28 (b) (1) Except as provided in paragraph (2) of this subsection, the recordation
29 tax on an instrument of writing or a security agreement recorded under subsection (a)(1)
30 of this section in any county shall be paid to the clerk of the circuit court for the county.

31 (2) In Prince George's County, the recordation tax on an instrument of
32 writing or a security agreement recorded under subsection (a)(1) of this section shall be
33 paid to the Director of Finance of Prince George's County.

34 (3) The recordation tax on a security agreement, articles of transfer, articles
35 of merger, articles of consolidation or other documents which evidence a merger or
36 consolidation of foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability
37 companies, or foreign limited partnerships filed with the Department shall be paid to the
38 Department.

39 13-101.

40 (c) (1) "Instrument of writing" means a written instrument that conveys title to,
41 or a leasehold interest in, real property.

74

1 (2) "Instrument of writing" includes:

2 (i) a deed or contract;

3 (ii) a lease;

4 (iii) an assignment of a lessee's interest;

5 (iv) articles of transfer;

6 (v) articles of merger or other document which evidences a merger of
7 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
8 foreign limited partnerships; and

9 (vi) articles of consolidation or other document which evidences a
10 consolidation of foreign corporations.

11 (3) "Instrument of writing" does not include:

12 (i) a mortgage, deed of trust, or other contract that creates an
13 encumbrance on real property; or

14 (ii) a security agreement, as defined in § 12-101(e) of this article.

15 (e) "Articles of merger" means a document filed with the Department under §
16 3-107, § 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article which
17 evidences a merger involving at least one Maryland corporation, Maryland limited
18 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

19 (g) "Documents which evidence the merger or consolidation of foreign
20 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
21 limited partnerships" means those documents that are filed or recorded with:

22 (1) the Department under § 3-117, § 4A-1012, § 9-910, or § 10-912 of the
23 Corporations and Associations Article; or

24 (2) the clerk of the circuit court of a county evidencing that title to real
25 property has been conveyed through a merger or consolidation of 2 or more foreign
26 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
27 limited partnerships.

28 13-205.

29 (d) (1) For a transfer under § 13-206 of this title, the transfer tax applies to the
30 value of the real property determined by the Department at the date of finality
31 immediately before the date of transfer.

32 (2) For a transfer by articles of merger, articles of consolidation, or other
33 documents which evidence a merger or consolidation of foreign corporations, FOREIGN
34 PARTNERSHIPS, foreign limited liability companies, or foreign limited partnerships, the
35 transfer tax applies to the value of the real property determined by the Department at the
36 date of finality immediately before the date of the merger or consolidation.

75

1 13-404.

2 (a) Except as provided under subsection (b) of this section, the Department shall
3 collect county transfer tax at the rate set by each county for articles of transfer, articles of
4 consolidation, or articles of merger filed with the Department as required by § 3-107, §
5 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article, or other
6 document filed with the clerk of the circuit court of a county or the Department which
7 evidences a merger or consolidation of foreign corporations, foreign limited liability
8 companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships.

9 (e) (1) Articles of transfer, articles of merger, articles of consolidation or other
10 document which evidences a merger or consolidation of foreign corporations or foreign
11 limited liability companies OR FOREIGN PARTNERSHIPS that are subject to county
12 transfer tax under this section also may be taxable under § 13-202 or § 13-302 of this title
13 or § 12-102 of this article.

14 (2) Before a transfer of title may be made under articles of transfer, articles
15 of merger, articles of consolidation, or other document which evidences a merger or
16 consolidation of foreign corporations or foreign limited liability companies OR FOREIGN
17 PARTNERSHIPS for any property for which a property certificate is required under §
18 3-112 or § 4A-708 of the Corporations and Associations Article, all recordation and
19 transfer taxes shall be paid.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be applied
21 and construed to effectuate its general purpose to make uniform the law with respect to
22 the subject of this Act among states enacting it.

23 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this Act
24 or the application thereof to any person or circumstance is held invalid for any reason in
25 a court of competent jurisdiction, the invalidity does not affect other provisions or any
26 other application of this Act which can be given effect without the invalid provision or
27 application, and for this purpose the provisions of this Act are declared severable.

28 SECTION 5. AND BE IT FURTHER ENACTED, That this Act does not affect an
29 action or proceeding commenced or right accrued before this Act takes effect, and the
30 liability of a partner for debts and obligations of the partnership, whether in contract or
31 in tort, that arises from an act or omission of or contract entered into by the partnership
32 before this Act takes effect, is not affected by this Act.

33 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 ~~October 1, 1997~~ July 1, 1998.

