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HB 468/96 - ECM

1997 Regular Session
7r2453
CF HB 251

By: Senator Baker

Introduced and read first time: January 30, 1997

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Revised Uniform Partnership Act**

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

11 BY repealing

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

16 BY adding to

17 Article - Corporations and Associations
18 Section 1-203(9), 3-101(j) and (k), 4A-101(r), and 9-101 through 9-1205, inclusive,
19 and the various subtitles
20 Annotated Code of Maryland
21 (1993 Replacement Volume and 1996 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article - Corporations and Associations
24 Section 1-101(p), 1-203(4), (5), and (8), 1-401, 3-102(a), 3-109(a) and (c),
25 3-111(b), 3-112, 3-114, 4A-701, 4A-702, 4A-703, 4A-704, 4A-706, 4A-707,
26 4A-709, 7-206, 8-501.1(a), (b), (c), (j), (k), (m), and (n), 10-101, 10-106,
27 10-208, 10-402, 10-403, 10-607, 10-608, 10-912, and 10-1001
28 Annotated Code of Maryland
29 (1993 Replacement Volume and 1996 Supplement)

30 BY repealing and reenacting, with amendments,

31 Article - Tax - General

2

1 Section 4-301(c), 10-906(d)(3), and 11-601(d)
2 Annotated Code of Maryland
3 (1988 Volume and 1996 Supplement)

4 BY adding to

5 Article - Tax - General
6 Section 11-601(g)
7 Annotated Code of Maryland
8 (1988 Replacement Volume and 1996 Supplement)

9 BY repealing and reenacting, with amendments,

10 Article - Tax - Property
11 Section 12-101(c), (i), and (k), 12-103(d), 12-105(g), 12-109(b), 13-101(c), (e), and
12 (g), 13-205(d), and 13-404(a) and (e)
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1996 Supplement)

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

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

21 **Article - Corporations and Associations**

22 1-101.

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

26 1-203.

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

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

30 (I) Certificate of limited partnership, certificate of limited liability
31 partnership, articles of organization of a limited liability company, including certificates
32 of amendment and certificates of cancellation, certificates of reinstatement, and articles
33 of reinstatement; AND

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

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

37 Type of Instrument	Special Fee
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1 Certificate of status of a corporation, PARTNERSHIP, limited partnership, limited
2 liability partnership, or limited liability company of this State or of a foreign corporation,
3 FOREIGN PARTNERSHIP, foreign limited partnership, foreign limited liability
4 partnership, or foreign limited liability company..... \$6

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

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

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

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

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

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

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

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

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

30 1-401.

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

36 (b) (1) Any notice required by law to be served by personal service on a resident
37 agent or other agent or officer of any Maryland or foreign corporation, PARTNERSHIP,
38 limited partnership, limited liability partnership, or limited liability company required by
39 statute to have a resident agent in this State may be served on the corporation,
40 PARTNERSHIP, limited partnership, [or,] limited liability partnership, or limited liability

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1 company in the manner provided by the Maryland Rules relating to the service of process
2 on corporations.

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

7 3-101.

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

10 (K) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER THE
11 LAWS OF ANY STATE, OTHER THAN THIS STATE, OR UNDER THE LAWS OF A
12 FOREIGN COUNTRY.

13 3-102.

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

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

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

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

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

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

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

27 ~~[(6)]~~ (7) Participate in a share exchange either:

28 (i) As the successor; or

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

30 ~~[(7)]~~ (8) Transfer its assets.

31 3-109.

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

35 (1) A statement:

5

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

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

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

7 (i) Each party to the articles; and

8 (ii) The successor corporation in a consolidation, merger, or share
9 exchange or the successor domestic PARTNERSHIP, limited partnership or limited liability
10 company in a merger;

11 (3) As to each foreign corporation:

12 (i) The date of its incorporation;

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

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

18 (4) As to each foreign business trust:

19 (i) The date of its organization; and

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

22 (5) As to each foreign PARTNERSHIP, limited partnership or limited liability
23 company:

24 (i) The date of its formation; and

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

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

30 (7) Each county in this State where:

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

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

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

6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (i) The percentages of partnership interest of each class of
30 partnership interest of the limited partnership; and

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

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

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

7

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

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

4 (I) THE PERCENTAGES OF PARTNERSHIP INTEREST OF EACH
5 CLASS OF PARTNERSHIP INTEREST OF THE PARTNERSHIP; AND

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

8 [(6)] (7) If the charter, certificate of limited partnership, articles of
9 organization of a limited liability company, or declaration of trust of the successor is
10 amended in a manner which changes any of the information required by paragraphs (2)
11 through (5) of this subsection, that information as it was both immediately before and as
12 changed by the merger; and

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

23 3-111.

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

29 3-112.

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

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

8

1 3-114.

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

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

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

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

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

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

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

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

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

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

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

9

1 4A-101.

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

4 4A-701.

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

7 (1) Limited liability companies;

8 (2) PARTNERSHIPS;

9 ~~[(2)]~~ (3) Limited partnerships;

10 ~~[(3)]~~ (4) Corporations having capital stock; or

11 ~~[(4)]~~ (5) Business trusts having transferable units of beneficial interest.

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

15 4A-702.

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

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

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

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

24 ~~[(d)]~~ (E) A limited partnership shall approve the merger under the provisions of §
25 10-208 of this article.

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

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

31 4A-703.

32 Articles of merger shall:

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

35 (2) Be executed:

10

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

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

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

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

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

10 4A-704.

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

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

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

16 [(2)] (3) A majority vote of the general partners and a majority in interest
17 of the limited partners, as defined in § 10-208 of this article, of any limited partnership
18 party to the articles;

19 [(3)] (4) A majority vote of the entire board of directors of a corporation
20 party to the articles; and

21 [(4)] (5) A majority vote of the entire board of trustees of a business trust
22 party to the articles.

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

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

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

31 4A-706.

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

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

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

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

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

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

10 4A-707.

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

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

19 (c) The property certificate:

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

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

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

26 (2) The Department shall:

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

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

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

34 4A-709.

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

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

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

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

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

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

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

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

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

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

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

28 7-206.

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

32 (1) Merges into another corporation;

33 (2) Consolidates with another corporation;

34 (3) Dissolves; or

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

37 (b) The officially certified statement shall:

13

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

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

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

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

10 8-501.1.

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

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

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

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

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

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

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

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

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

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

38 (b) Unless the declaration of trust provides otherwise, a Maryland real estate
39 investment trust may merge into a Maryland or foreign business trust, into a Maryland or

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1 foreign corporation having capital stock, INTO A DOMESTIC OR FOREIGN
2 PARTNERSHIP, or into a domestic or foreign limited partnership or limited liability
3 company; or one or more such business trusts, such corporations, DOMESTIC OR
4 FOREIGN PARTNERSHIPS, domestic or foreign limited partnerships, or limited liability
5 companies may merge into it.

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (k) (1) In order to keep the land assessment records current in each county, the
39 Department shall require a business trust, corporation, PARTNERSHIP, LIMITED

15

1 PARTNERSHIP, or limited liability company to submit with the articles a property
2 certificate for each county where a merging business trust, corporation, PARTNERSHIP,
3 LIMITED PARTNERSHIP, or limited liability company other than the successor owns an
4 interest in land.

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

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

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

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

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

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

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

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

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

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

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

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

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

16

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

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

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

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

17 Title 9. Uniform Partnership Act.

18 SUBTITLE 1. GENERAL PROVISIONS.

19 9-101. DEFINITIONS.

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

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

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

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

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

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

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

17

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

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

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

9 (2) IS REGISTERED UNDER § 9-1001 OF THIS ARTICLE.

10 (H) "LIMITED PARTNERSHIP" AND "DOMESTIC LIMITED PARTNERSHIP"
11 MEANS A LIMITED PARTNERSHIP FORMED BY TWO OR MORE PERSONS UNDER THE
12 LAWS OF THIS STATE AND HAVING ONE OR MORE GENERAL PARTNERS AND ONE OR
13 MORE LIMITED PARTNERS.

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

19 (J) "PARTNERSHIP AGREEMENT" MEANS THE AGREEMENT, WHETHER
20 WRITTEN, ORAL, OR IMPLIED, AMONG THE PARTNERS CONCERNING THE
21 PARTNERSHIP, INCLUDING AMENDMENTS TO THE PARTNERSHIP AGREEMENT.

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

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

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

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

34 (O) "STATEMENT" MEANS A STATEMENT OF PARTNERSHIP AUTHORITY
35 UNDER § 9-303 OF THIS TITLE, A STATEMENT OF DENIAL UNDER § 9-304 OF THIS
36 TITLE, A STATEMENT OF DISSOCIATION UNDER § 9-704 OF THIS TITLE, A STATEMENT
37 OF DISSOLUTION UNDER § 9-805 OF THIS TITLE, OR AN AMENDMENT OR
38 CANCELLATION OF ANY OF THE FOREGOING.

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

18

1 9-102. KNOWLEDGE AND NOTICE.

2 (A) A PERSON KNOWS A FACT IF THE PERSON HAS ACTUAL KNOWLEDGE OF
3 IT.

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

5 (1) KNOWS OF IT;

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

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

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

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

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

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

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

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

37 9-103. EFFECT OF PARTNERSHIP AGREEMENT; NONWAIVABLE PROVISIONS.

38 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B), RELATIONS
39 AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP ARE
40 GOVERNED BY THE PARTNERSHIP AGREEMENT. TO THE EXTENT THE PARTNERSHIP

19

1 AGREEMENT DOES NOT OTHERWISE PROVIDE, THIS TITLE GOVERNS RELATIONS
2 AMONG THE PARTNERS AND BETWEEN THE PARTNERS AND THE PARTNERSHIP.

3 (B) THE PARTNERSHIP AGREEMENT MAY NOT:

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

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

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

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

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

22 (4) UNREASONABLY REDUCE THE DUTY OF CARE UNDER § 9-404(C) OR §
23 9-603(B)(3) OF THIS TITLE;

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

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

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

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

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

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

1 9-104. SUPPLEMENTAL PRINCIPLES OF LAW.

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

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

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

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

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

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

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

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

31 9-106. LAW GOVERNING INTERNAL RELATIONS.

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

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

21

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

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

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

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

20 9-107. PARTNERSHIP SUBJECT TO AMENDMENT OR REPEAL OF THIS TITLE.

21 A PARTNERSHIP GOVERNED BY THIS TITLE IS SUBJECT TO ANY AMENDMENT
22 TO OR REPEAL OF THIS TITLE.

23 SUBTITLE 2. NATURE OF PARTNERSHIP.

24 9-201. PARTNERSHIP AS ENTITY.

25 A PARTNERSHIP IS AN ENTITY DISTINCT FROM ITS PARTNERS.

26 9-202. FORMATION OF PARTNERSHIP.

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

32 (B) A PARTNERSHIP MAY BE CREATED UNDER:

33 (1) THIS TITLE;

34 (2) THE MARYLAND UNIFORM PARTNERSHIP ACT AND ITS SUBSEQUENT
35 AMENDMENTS; OR

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

22

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

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

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

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

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

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

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

18 (III) OF RENT;

19 (IV) OF AN ANNUITY OR OTHER RETIREMENT OR HEALTH BENEFIT
20 TO A BENEFICIARY, REPRESENTATIVE, OR DESIGNEE OF A DECEASED OR RETIRED
21 PARTNER;

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

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

29 9-203. PARTNERSHIP PROPERTY.

30 PARTNERSHIP PROPERTY IS PROPERTY OF THE PARTNERSHIP AND NOT OF
31 THE PARTNERS INDIVIDUALLY.

32 9-204. WHEN PROPERTY IS PARTNERSHIP PROPERTY.

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

34 (1) THE PARTNERSHIP; OR

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

23

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

3 (1) THE PARTNERSHIP IN ITS NAME; OR

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

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

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

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

19 9-301. PARTNER AGENT OF PARTNERSHIP.

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

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

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

34 9-302. TRANSFER OF PARTNERSHIP PROPERTY.

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

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

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

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

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

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

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

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

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

37 9-303. STATEMENT OF PARTNERSHIP AUTHORITY.

38 (A) A PARTNERSHIP MAY FILE A STATEMENT OF PARTNERSHIP AUTHORITY,
39 WHICH:

40 (1) MUST INCLUDE:

41 (I) THE NAME OF THE PARTNERSHIP;

25

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

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

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

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

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

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

26 (E) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (C) AND (D) AND §§
27 9-704 AND 9-805 OF THIS TITLE, A PERSON NOT A PARTNER IS NOT DEEMED TO KNOW
28 OF A LIMITATION ON THE AUTHORITY OF A PARTNER MERELY BECAUSE THE
29 LIMITATION IS CONTAINED IN A FILED STATEMENT.

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

34 9-304. STATEMENT OF DENIAL.

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

1 9-305. PARTNERSHIP LIABLE FOR PARTNER'S ACTIONABLE CONDUCT.

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

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

12 9-306. PARTNER'S LIABILITY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (3) THE PARTNER HAS AGREED THAT THE CREDITOR NEED NOT
36 EXHAUST PARTNERSHIP ASSETS;

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

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

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

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

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

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

14 9-308. LIABILITY OF PURPORTED PARTNER.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30

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

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

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

10 9-402. DISTRIBUTIONS IN KIND.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 9-405. ACTIONS BY PARTNERSHIP AND PARTNERS.

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

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

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

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

32

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

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

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

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

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

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

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

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

29 SUBTITLE 5. TRANSFEREES AND CREDITORS OF PARTNER.

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

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

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

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

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

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

4 (1) IS PERMISSIBLE;

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

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

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

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

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

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

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

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

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

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

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

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

34

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

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

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

9 (1) BY THE JUDGMENT DEBTOR;

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

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

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

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

22 SUBTITLE 6. PARTNER'S DISSOCIATION.

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

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

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

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

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

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

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

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

35

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

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

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

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

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

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

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

22 (6) THE PARTNER'S:

23 (I) BECOMING A DEBTOR IN BANKRUPTCY;

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

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

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

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

36 (I) THE PARTNER'S DEATH;

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

36

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (B) UPON A PARTNER'S DISSOCIATION:

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

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

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

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

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

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

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

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

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

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

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

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

17 (1) A STATEMENT OF PARTNERSHIP ASSETS AND LIABILITIES AS OF THE
18 DATE OF DISSOCIATION;

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

21 (3) AN EXPLANATION OF HOW THE ESTIMATED AMOUNT OF THE
22 PAYMENT WAS CALCULATED; AND

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

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

35 (I) A DISSOCIATED PARTNER MAY MAINTAIN AN ACTION AGAINST THE
36 PARTNERSHIP, PURSUANT TO § 9-405(B)(2)(II) OF THIS TITLE, TO DETERMINE THE
37 BUYOUT PRICE OF THAT PARTNER'S INTEREST, ANY OFFSETS UNDER SUBSECTION
38 (C) OF THIS SECTION, OR OTHER TERMS OF THE OBLIGATION TO PURCHASE. THE
39 ACTION MUST BE COMMENCED WITHIN 120 DAYS AFTER THE PARTNERSHIP HAS
40 TENDERED PAYMENT OR A WRITTEN OFFER OR WITHIN 1 YEAR AFTER WRITTEN
41 DEMAND FOR PAYMENT IF NO PAYMENT OR WRITTEN OFFER IS TENDERED. THE
42 COURT SHALL DETERMINE THE BUYOUT PRICE OF THE DISSOCIATED PARTNER'S
43 INTEREST, ANY OFFSET DUE UNDER SUBSECTION (C) OF THIS SECTION, AND

39

1 ACCRUED INTEREST, AND ENTER JUDGMENT FOR ANY ADDITIONAL PAYMENT OR
2 REFUND. IF DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION (H) OF THIS
3 SECTION, THE COURT SHALL ALSO DETERMINE THE TERMS OF THE OBLIGATION TO
4 PURCHASE. THE COURT MAY ASSESS REASONABLE ATTORNEY'S FEES AND THE FEES
5 AND EXPENSES OF APPRAISERS OR OTHER EXPERTS FOR A PARTY TO THE ACTION,
6 IN AMOUNTS THE COURT FINDS EQUITABLE, AGAINST A PARTY THAT THE COURT
7 FINDS ACTED ARBITRARILY, VEXATIONOUSLY, OR NOT IN GOOD FAITH. THE FINDING
8 MAY BE BASED ON THE PARTNERSHIP'S FAILURE TO TENDER PAYMENT OR A
9 WRITTEN OFFER OR TO COMPLY WITH SUBSECTION (G) OF THIS SECTION.

10 9-702. DISSOCIATED PARTNER'S POWER TO BIND AND LIABILITY TO PARTNERSHIP.

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

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

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

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

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

26 9-703. DISSOCIATED PARTNER'S LIABILITY TO OTHER PERSONS.

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

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

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

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

40

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

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

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

11 9-704. STATEMENT OF DISSOCIATION.

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

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

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

20 9-705. CONTINUED USE OF PARTNERSHIP NAME.

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

25 SUBTITLE 8. WINDING UP PARTNERSHIP BUSINESS.

26 9-801. EVENTS CAUSING DISSOLUTION AND WINDING UP OF PARTNERSHIP BUSINESS.

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

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

33 (2) IN A PARTNERSHIP FOR A DEFINITE TERM OR PARTICULAR
34 UNDERTAKING:

35 (I) THE EXPIRATION OF 90 DAYS AFTER A PARTNER'S
36 DISSOCIATION BY DEATH OR OTHERWISE UNDER § 9-601(6) THROUGH (10) OF THIS
37 TITLE OR WRONGFUL DISSOCIATION UNDER § 9-602(B) OF THIS TITLE, UNLESS
38 BEFORE THAT TIME A MAJORITY IN INTEREST OF THE REMAINING PARTNERS,

41

1 INCLUDING PARTNERS WHO HAVE RIGHTFULLY DISSOCIATED PURSUANT TO §
2 9-602(B)(2)(I) OF THIS TITLE, AGREE TO CONTINUE THE PARTNERSHIP;

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

5 (III) THE EXPIRATION OF THE TERM OR THE COMPLETION OF THE
6 UNDERTAKING;

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

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

14 (5) ON APPLICATION BY A PARTNER, A JUDICIAL DETERMINATION
15 THAT:

16 (I) THE ECONOMIC PURPOSE OF THE PARTNERSHIP IS LIKELY TO
17 BE UNREASONABLY FRUSTRATED;

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

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

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

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

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

34 9-802. PARTNERSHIP CONTINUES AFTER DISSOLUTION.

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

39 (B) AT ANY TIME AFTER THE DISSOLUTION OF A PARTNERSHIP AND BEFORE
40 THE WINDING UP OF ITS BUSINESS IS COMPLETED, ALL OF THE PARTNERS,

42

1 INCLUDING ANY DISSOCIATING PARTNER OTHER THAN A WRONGFULLY
2 DISSOCIATING PARTNER, MAY WAIVE THE RIGHT TO HAVE THE PARTNERSHIP'S
3 BUSINESS WOUND UP AND THE PARTNERSHIP TERMINATED. IN THAT EVENT:

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

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

12 9-803. RIGHT TO WIND UP PARTNERSHIP BUSINESS.

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

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

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

29 9-804. PARTNER'S POWER TO BIND PARTNERSHIP AFTER DISSOLUTION.

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

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

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

36 9-805. STATEMENT OF DISSOLUTION.

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

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

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

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

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

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

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

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

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

31 (B) EACH PARTNER IS ENTITLED TO A SETTLEMENT OF ALL PARTNERSHIP
32 ACCOUNTS UPON WINDING UP THE PARTNERSHIP BUSINESS. IN SETTLING
33 ACCOUNTS AMONG THE PARTNERS, THE PROFITS AND LOSSES THAT RESULT FROM
34 THE LIQUIDATION OF THE PARTNERSHIP ASSETS MUST BE CREDITED AND
35 CHARGED TO THE PARTNERS' ACCOUNTS. THE PARTNERSHIP SHALL MAKE A
36 DISTRIBUTION TO A PARTNER IN AN AMOUNT EQUAL TO ANY EXCESS OF THE
37 CREDITS OVER THE CHARGES IN THE PARTNER'S ACCOUNT. A PARTNER SHALL
38 CONTRIBUTE TO THE PARTNERSHIP AN AMOUNT EQUAL TO ANY EXCESS OF THE
39 CHARGES OVER THE CREDITS IN THE PARTNER'S ACCOUNT BUT EXCLUDING FROM
40 THE CALCULATION CHARGES ATTRIBUTABLE TO AN OBLIGATION FOR WHICH THE
41 PARTNER IS NOT PERSONALLY LIABLE UNDER § 9-306(C) OF THIS TITLE.

42 (C) IF A PARTNER FAILS TO CONTRIBUTE THE FULL AMOUNT REQUIRED
43 UNDER SUBSECTION (B) OF THIS SECTION, ALL OF THE OTHER PARTNERS SHALL

44

1 CONTRIBUTE, IN THE PROPORTIONS IN WHICH THOSE PARTNERS SHARE
2 PARTNERSHIP LOSSES, THE ADDITIONAL AMOUNT NECESSARY TO SATISFY THE
3 PARTNERSHIP OBLIGATIONS FOR WHICH THEY ARE PERSONALLY LIABLE UNDER §
4 9-306(C) OF THIS TITLE. A PARTNER OR PARTNER'S LEGAL REPRESENTATIVE MAY
5 RECOVER FROM THE OTHER PARTNERS ANY CONTRIBUTIONS THE PARTNER MAKES
6 TO THE EXTENT THE AMOUNT CONTRIBUTED EXCEEDS THAT PARTNER'S SHARE OF
7 THE PARTNERSHIP OBLIGATIONS FOR WHICH THE PARTNER IS PERSONALLY LIABLE
8 UNDER § 9-306(C) OF THIS TITLE.

9 (D) AFTER THE SETTLEMENT OF ACCOUNTS, EACH PARTNER SHALL
10 CONTRIBUTE, IN THE PROPORTION IN WHICH THE PARTNER SHARES PARTNERSHIP
11 LOSSES, THE AMOUNT NECESSARY TO SATISFY PARTNERSHIP OBLIGATIONS THAT
12 WERE NOT KNOWN AT THE TIME OF THE SETTLEMENT.

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

15 (F) AN ASSIGNEE FOR THE BENEFIT OF CREDITORS OF A PARTNERSHIP OR A
16 PARTNER, OR A PERSON APPOINTED BY A COURT TO REPRESENT CREDITORS OF A
17 PARTNERSHIP OR A PARTNER, MAY ENFORCE A PARTNER'S OBLIGATION TO
18 CONTRIBUTE TO THE PARTNERSHIP.

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

25 SUBTITLE 9. MERGER.

26 9-901. MERGER IN GENERAL.

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

30 (1) PARTNERSHIPS;

31 (2) LIMITED LIABILITY COMPANIES;

32 (3) LIMITED PARTNERSHIPS;

33 (4) CORPORATIONS HAVING CAPITAL STOCK; OR

34 (5) BUSINESS TRUSTS HAVING TRANSFERABLE UNITS OF BENEFICIAL
35 INTEREST.

36 (B) ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES, LIMITED
37 PARTNERSHIPS, CORPORATIONS HAVING CAPITAL STOCK, OR BUSINESS TRUSTS
38 HAVING TRANSFERABLE UNITS OF BENEFICIAL INTEREST MAY MERGE INTO A
39 PARTNERSHIP.

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

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

9 9-902. APPROVAL OF MERGER.

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

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

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

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

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

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

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

26 9-903. EXECUTION AND FILING OF ARTICLES OF MERGER.

27 ARTICLES OF MERGER SHALL:

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

30 (2) BE EXECUTED:

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

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

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

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

46

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

2 9-904. ABANDONMENT.

3 (A) UNLESS THE ARTICLES OF MERGER PRECLUDE THE RIGHT TO ABANDON
4 THE MERGER OR PERMIT SOME OTHER VOTE OR MANNER OF ABANDONMENT, A
5 PROPOSED MERGER MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE
6 ARTICLES BY:

7 (1) A MAJORITY VOTE OF THE PARTNERS OF A PARTNERSHIP PARTY TO
8 THE ARTICLES;

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

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

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

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

18 (B) IF THE ARTICLES OF MERGER HAVE BEEN FILED WITH THE
19 DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE
20 DEPARTMENT.

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

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

28 9-905. RIGHTS OF OBJECTOR.

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

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

36 9-906. CERTIFICATES OF MERGER.

37 (A) THE DEPARTMENT SHALL PREPARE CERTIFICATES OF MERGER THAT
38 SPECIFY:

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

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

4 (3) THE TIME THE ARTICLES OF MERGER ARE ACCEPTED FOR RECORD
5 BY THE DEPARTMENT.

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

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

14 9-907. PROPERTY CERTIFICATE.

15 (A) THE DEPARTMENT SHALL REQUIRE A PARTNERSHIP, LIMITED LIABILITY
16 COMPANY, LIMITED PARTNERSHIP, CORPORATION, OR BUSINESS TRUST TO SUBMIT
17 WITH THE ARTICLES OF MERGER A PROPERTY CERTIFICATE FOR EACH COUNTY
18 WHERE A MERGING PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED
19 PARTNERSHIP, CORPORATION, OR BUSINESS TRUST OTHER THAN THE SUCCESSOR
20 OWNS AN INTEREST IN LAND.

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

25 (C) THE PROPERTY CERTIFICATE:

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

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

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

32 (2) THE DEPARTMENT SHALL:

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

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

37 (E) A TRANSFER, VESTING, OR DEVOLUTION OF TITLE TO THE PROPERTY IS
38 NOT INVALIDATED OR OTHERWISE AFFECTED BY ANY ERROR OR DEFECT IN THE
39 PROPERTY CERTIFICATE, FAILURE TO FILE THE PROPERTY CERTIFICATE, OR
40 FAILURE BY THE DEPARTMENT TO ACT ON THE PROPERTY CERTIFICATE.

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1 9-908. EFFECTIVE DATE OF MERGER.

2 A MERGER IS EFFECTIVE AS OF THE LATER OF:

3 (1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF MERGER
4 FOR RECORD; OR

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

7 9-909. EFFECTS OF CONSUMMATION.

8 (A) CONSUMMATION OF A MERGER HAS THE EFFECTS PROVIDED IN THIS
9 SECTION.

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

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

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

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

24 (2) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS
25 TO EVIDENCE THE TRANSFER MAY BE EXECUTED AND DELIVERED AT ANY TIME IN
26 THE NAME OF THE NONSURVIVING PARTY TO THE ARTICLES OF MERGER BY ITS
27 LAST ACTING AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS, TRUSTEES,
28 OR BY THE APPROPRIATE AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS,
29 OR TRUSTEES, OR MEMBERS OF THE SUCCESSOR.

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

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

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

36 2. ON MOTION OF THE SUCCESSOR OR ANY PARTY, THE
37 SUCCESSOR MAY BE SUBSTITUTED AS A PARTY, AND THE JUDGMENT AGAINST THE
38 NONSURVIVING PARTY TO THE ARTICLES OF MERGER SHALL CONSTITUTE A
39 JUDGMENT AGAINST THE SUCCESSOR.

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

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

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

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

12 (2) ALL OTHER OBLIGATIONS OF THE SURVIVING PARTNERSHIP
13 INCURRED BEFORE THE MERGER BY A PARTY TO THE MERGER, BUT THOSE
14 OBLIGATIONS MAY BE SATISFIED ONLY OUT OF PROPERTY OF THE SURVIVING
15 PARTNERSHIP; AND

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

18 9-910. SERVICE OF PROCESS.

19 FOLLOWING A MERGER INVOLVING ONE OR MORE PARTNERSHIPS, IF THE
20 SUCCESSOR PARTNERSHIP IS NOT A PARTNERSHIP ORGANIZED UNDER THIS
21 SUBTITLE, THERE SHALL BE INCLUDED IN THE ARTICLES OF MERGER FILED UNDER
22 § 9-903 OF THIS SUBTITLE FOR EACH PARTNERSHIP ORGANIZED UNDER THIS
23 SUBTITLE A STATEMENT THAT:

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

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

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

33 SUBTITLE 10. LIMITED LIABILITY PARTNERSHIPS.

34 9-1001. REGISTRATION; CERTIFICATES.

35 (A) A PARTNERSHIP FORMED IN ACCORDANCE WITH AN AGREEMENT
36 GOVERNED BY THE LAWS OF THIS STATE MAY REGISTER AS A LIMITED LIABILITY
37 PARTNERSHIP BY FILING WITH THE DEPARTMENT A CERTIFICATE OF LIMITED
38 LIABILITY PARTNERSHIP WHICH SETS FORTH:

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

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

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

5 (B) A PARTNERSHIP QUALIFIES AS A LIMITED LIABILITY PARTNERSHIP AT
6 THE TIME OF THE FILING OF THE CERTIFICATE WITH THE DEPARTMENT OR AT ANY
7 LATER TIME SPECIFIED IN THE CERTIFICATE.

8 (C) AN AMENDMENT TO THE CERTIFICATE OF LIMITED LIABILITY
9 PARTNERSHIP SHALL BE:

10 (1) IN WRITING; AND

11 (2) FILED FOR RECORD WITH THE DEPARTMENT.

12 (D) A CERTIFICATE OR AMENDMENT SHALL BE EXECUTED BY A PERSON
13 AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE SUCH
14 CERTIFICATE AND AMENDMENT.

15 (E) REGISTRATION OF A PARTNERSHIP AS A LIMITED LIABILITY
16 PARTNERSHIP MAY BE VOLUNTARILY WITHDRAWN AT ANY TIME BY FILING WITH
17 THE DEPARTMENT A WRITTEN WITHDRAWAL NOTICE EXECUTED BY ONE OR MORE
18 PARTNERS AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE
19 THE WITHDRAWAL.

20 (F) THE STATUS OF A PARTNERSHIP AS A LIMITED LIABILITY PARTNERSHIP
21 SHALL NOT BE AFFECTED BY THE ADMISSION OF ONE OR MORE PARTNERS TO THE
22 PARTNERSHIP OR BY THE DEATH, RETIREMENT, OR WITHDRAWAL OF ANY
23 PARTNER OR ANY OTHER EVENT CAUSING ANY PARTNER TO BE DISSOCIATED
24 FROM THE PARTNERSHIP.

25 9-1002. RECORDATION OF FILINGS WITH DEPARTMENT.

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

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

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

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

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

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1 (2) RECORD PROMPTLY THE DOCUMENT; AND

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

4 9-1003. NAME.

5 THE NAME OF EACH LIMITED LIABILITY PARTNERSHIP AS SET FORTH IN THE
6 CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP:

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

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

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

14 (I) THE NAME OF ANY CORPORATION, LIMITED PARTNERSHIP,
15 LIMITED LIABILITY COMPANY, OR LIMITED LIABILITY PARTNERSHIP ORGANIZED
16 UNDER THE LAWS OF THIS STATE;

17 (II) THE NAME OF ANY FOREIGN CORPORATION, FOREIGN
18 LIMITED PARTNERSHIP, FOREIGN LIMITED LIABILITY COMPANY, OR FOREIGN
19 LIMITED LIABILITY PARTNERSHIP REGISTERED OR QUALIFIED TO DO BUSINESS IN
20 THIS STATE; OR

21 (III) ANY NAME WHICH IS RESERVED OR REGISTERED UNDER §
22 2-107, § 4A-209, § 7-101, § 9-1004, § 10-103, OR § 10-904 OF THIS ARTICLE OR RECORDED
23 UNDER § 1-406 OF THIS ARTICLE.

24 9-1004. RESERVED NAMES.

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

27 (1) A PERSON WHO INTENDS TO REGISTER A DOMESTIC LIMITED
28 LIABILITY PARTNERSHIP;

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

31 (3) A FOREIGN LIMITED LIABILITY PARTNERSHIP THAT INTENDS TO
32 REGISTER TO DO BUSINESS IN THIS STATE; OR

33 (4) A FOREIGN LIMITED LIABILITY PARTNERSHIP REGISTERED TO DO
34 BUSINESS IN THIS STATE THAT PROPOSES TO CHANGE ITS NAME.

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

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

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

8 9-1005. PRINCIPAL OFFICE; RESIDENT AGENT.

9 (A) LIMITED LIABILITY PARTNERSHIPS SHALL HAVE:

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

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

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

13 (II) A MARYLAND CORPORATION; OR

14 (III) A MARYLAND LIMITED LIABILITY COMPANY.

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

19 (2) A LIMITED LIABILITY PARTNERSHIP MAY CHANGE THE ADDRESS OF
20 ITS RESIDENT AGENT BY FILING FOR RECORD WITH THE DEPARTMENT A
21 STATEMENT OF THE CHANGE SIGNED BY A PERSON AUTHORIZED BY THE LIMITED
22 LIABILITY PARTNERSHIP TO EXECUTE SUCH STATEMENTS.

23 (3) A DESIGNATION OR CHANGE OF A PRINCIPAL OFFICE OR RESIDENT
24 AGENT OR ADDRESS OF THE RESIDENT AGENT FOR A LIMITED LIABILITY
25 PARTNERSHIP UNDER THIS SUBSECTION IS EFFECTIVE WHEN THE DEPARTMENT
26 ACCEPTS THE STATEMENT FOR RECORD.

27 (C) (1) A RESIDENT AGENT WHO CHANGES ADDRESSES IN THIS STATE MAY
28 NOTIFY THE DEPARTMENT OF THE CHANGE BY FILING FOR RECORD WITH THE
29 DEPARTMENT A STATEMENT OF THE CHANGE SIGNED BY OR ON BEHALF OF THE
30 RESIDENT AGENT.

31 (2) THE STATEMENT SHALL INCLUDE:

32 (I) THE NAME OF THE LIMITED LIABILITY PARTNERSHIP FOR
33 WHICH THE CHANGE IS EFFECTIVE;

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

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

36 (3) IF THE OLD AND NEW ADDRESSES OF THE RESIDENT AGENT ARE
37 THE SAME AS THE OLD AND NEW ADDRESSES OF THE PRINCIPAL OFFICE OF THE

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1 LIMITED LIABILITY PARTNERSHIP, THE STATEMENT MAY INCLUDE A CHANGE OF
2 ADDRESS OF THE PRINCIPAL OFFICE IF:

3 (I) THE RESIDENT AGENT NOTIFIES THE LIMITED LIABILITY
4 PARTNERSHIP IN WRITING; AND

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

6 (4) THE CHANGE OF ADDRESS OF THE RESIDENT AGENT OR PRINCIPAL
7 OFFICE IS EFFECTIVE WHEN THE DEPARTMENT ACCEPTS THE STATEMENT FOR
8 RECORD.

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

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

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

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

17 9-1006. LIMITED PARTNERSHIP AS LIMITED LIABILITY PARTNERSHIP.

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

20 (B) THE PROVISIONS OF THIS TITLE APPLICABLE TO LIMITED LIABILITY
21 PARTNERSHIPS SHALL APPLY TO A LIMITED PARTNERSHIP WHICH REGISTERS AS A
22 LIMITED LIABILITY PARTNERSHIP; PROVIDED, HOWEVER, THAT IN APPLYING THIS
23 TITLE TO SUCH A LIMITED PARTNERSHIP, ALL REFERENCES TO PARTNERS SHALL
24 MEAN GENERAL PARTNERS.

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

29 9-1007. FAILURE TO PAY TAXES OR REQUIRED CONTRIBUTIONS; PROCLAMATION.

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

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

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

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

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

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

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

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

33 9-1008. NOTICE OF PROCLAMATION; REINSTATEMENT UPON PAYMENT.

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

40 (B) A LIMITED LIABILITY PARTNERSHIP THAT PAYS ALL TAXES,
 41 UNEMPLOYMENT INSURANCE CONTRIBUTIONS, REIMBURSEMENT PAYMENTS,
 42 INTEREST, AND PENALTIES DUE, FILES THE ANNUAL REPORT DUE, OR BOTH, AS THE
 43 CASE MAY BE, WITHIN 60 DAYS AFTER THE ISSUANCE OF THE PROCLAMATION

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1 SHALL HAVE ITS RIGHT TO DO BUSINESS IN MARYLAND AND THE RIGHT TO THE USE
2 OF ITS NAME REINSTATED AS OF THE DATE OF FORFEITURE.

3 9-1009. CORRECTIVE PROCLAMATION.

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

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

18 9-1010. EFFECT ON OTHER LAWS.

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

21 (1) FOR THE COLLECTION OF TAXES, UNEMPLOYMENT INSURANCE
22 CONTRIBUTIONS, OR REIMBURSEMENT PAYMENTS AND THE INTEREST AND
23 PENALTIES DUE ON THEM; OR

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

25 9-1011. CERTIFICATE OF REINSTATEMENT - FILING.

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

31 9-1012. SAME -- CONTENTS.

32 (A) A CERTIFICATE OF REINSTATEMENT SHALL INCLUDE:

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

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

38 (3) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE LIMITED
39 LIABILITY PARTNERSHIP IN THIS STATE IF DIFFERENT FROM ITS PRINCIPAL OFFICE

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1 IN THIS STATE AT THE TIME THE RIGHT TO DO BUSINESS IN MARYLAND WAS
2 FORFEITED; AND

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

5 (B) A CERTIFICATE OF REINSTATEMENT SHALL BE EXECUTED BY A PERSON
6 AUTHORIZED BY THE LIMITED LIABILITY PARTNERSHIP TO EXECUTE SUCH A
7 CERTIFICATE.

8 9-1013. CONDITIONS OF ACCEPTANCE.

9 THE DEPARTMENT MAY NOT ACCEPT A CERTIFICATE OF REINSTATEMENT FOR
10 RECORD UNLESS:

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

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

19 9-1014. SAME - ACCEPTANCE AS EVIDENCE OF COMPLIANCE.

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

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

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

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

28 9-1015. PENALTIES FOR TRANSACTING BUSINESS.

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

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

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1 9-1016. NO BAR TO VALID ACTS OR DEFENSE OF SUIT.

2 THE FORFEITURE OF THE RIGHT TO DO BUSINESS IN MARYLAND AND THE
3 RIGHT TO THE USE OF THE NAME OF THE LIMITED LIABILITY PARTNERSHIP UNDER
4 THIS TITLE DOES NOT:

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

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

13 SUBTITLE 11. FOREIGN LIMITED LIABILITY PARTNERSHIPS.

14 9-1101. REGISTRATION.

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

18 (B) IN ORDER TO REGISTER, A FOREIGN LIMITED LIABILITY PARTNERSHIP
19 SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION FOR REGISTRATION AS A
20 FOREIGN LIMITED LIABILITY PARTNERSHIP EXECUTED BY AN AUTHORIZED
21 PERSON AND SETTING FORTH:

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

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

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

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

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

36 (6) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED IN
37 THE STATE OF ITS ORGANIZATION BY THE LAWS OF THAT STATE OR, IF NOT SO
38 REQUIRED, OF THE PRINCIPAL OFFICE OF THE FOREIGN LIMITED LIABILITY
39 PARTNERSHIP.

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1 9-1102. ISSUANCE OF REGISTRATION.

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

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

7 (2) RECORD PROMPTLY THE DOCUMENT;

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

10 (4) RETURN THE CERTIFICATE OF REGISTRATION TO THE PERSON WHO
11 FILED THE APPLICATION OR A REPRESENTATIVE OF THE PERSON WHO FILED THE
12 APPLICATION.

13 9-1103. NAME.

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

18 9-1104. CHANGES AND AMENDMENTS.

19 IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A FOREIGN
20 LIMITED LIABILITY PARTNERSHIP IS FALSE WHEN MADE OR ANY ARRANGEMENTS
21 OR OTHER FACTS DESCRIBED HAVE CHANGED MAKING THE APPLICATION
22 INACCURATE IN ANY RESPECT, THE FOREIGN LIMITED LIABILITY PARTNERSHIP
23 SHALL PROMPTLY FILE WITH THE DEPARTMENT A CERTIFICATE, EXECUTED BY AN
24 AUTHORIZED PERSON, CORRECTING THE STATEMENT.

25 9-1105. CANCELLATION OF REGISTRATION.

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

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

33 9-1106. DOING BUSINESS WITHOUT REGISTRATION.

34 (A) IF A FOREIGN LIMITED LIABILITY PARTNERSHIP IS DOING OR HAS DONE
35 ANY INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT
36 COMPLYING WITH THE REQUIREMENTS OF THIS SUBTITLE, THE FOREIGN LIMITED
37 LIABILITY PARTNERSHIP AND ANY PERSON CLAIMING UNDER IT MAY NOT
38 MAINTAIN SUIT IN ANY COURT OF THIS STATE, UNLESS THE LIMITED LIABILITY
39 PARTNERSHIP SHOWS TO THE SATISFACTION OF THE COURT THAT:

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

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

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

9 (B) THE FAILURE OF A FOREIGN LIMITED LIABILITY PARTNERSHIP TO
10 REGISTER IN THIS STATE DOES NOT IMPAIR THE VALIDITY OF A CONTRACT OR ACT
11 OF THE FOREIGN LIMITED LIABILITY PARTNERSHIP OR PREVENT THE FOREIGN
12 LIMITED LIABILITY PARTNERSHIP FROM DEFENDING ANY ACTION, SUIT, OR
13 PROCEEDING IN A COURT OF THIS STATE.

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

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

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

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

31 9-1107. ACTION OF ATTORNEY GENERAL.

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

35 9-1108. DOING BUSINESS.

36 (A) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY NOT CONSTITUTE
37 DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, THE
38 FOLLOWING ACTIVITIES OF A FOREIGN LIMITED LIABILITY PARTNERSHIP DO NOT
39 CONSTITUTE DOING BUSINESS IN THIS STATE:

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

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

3 (3) MAINTAINING BANK ACCOUNTS;

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

6 (5) FORECLOSING MORTGAGES AND DEEDS OF TRUST ON PROPERTY IN
7 THIS STATE;

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

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

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

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

22 9-1109. ASSENT TO STATE LAWS.

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

25 9-1110. COMPLIANCE WITH SUBTITLE IS NOT CONSENT TO SUIT.

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

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

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

32 9-1111. FORFEITURE OF RIGHT TO DO BUSINESS.

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

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

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

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

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

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

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

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

18 SUBTITLE 12. MISCELLANEOUS PROVISIONS.

19 9-1201. UNIFORMITY OF APPLICATION AND CONSTRUCTION.

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

23 9-1202. SHORT TITLE.

24 THIS TITLE MAY BE CITED AS THE MARYLAND REVISED UNIFORM
25 PARTNERSHIP ACT.

26 9-1203. SEVERABILITY CLAUSE.

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

32 9-1204. APPLICABILITY.

33 (A) BEFORE JANUARY 1, 2003, THIS TITLE GOVERNS ONLY A PARTNERSHIP
34 FORMED:

35 (1) AFTER OCTOBER 1, 1997, UNLESS THAT PARTNERSHIP IS
36 CONTINUING THE BUSINESS OF A DISSOLVED PARTNERSHIP UNDER § 9-601 OF THE
37 CORPORATIONS AND ASSOCIATIONS ARTICLE IN EFFECT IMMEDIATELY PRIOR TO
38 OCTOBER 1, 1997; OR

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

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

4 (C) BEFORE JANUARY 1, 2003, A PARTNERSHIP VOLUNTARILY MAY ELECT, IN
5 THE MANNER PROVIDED IN ITS PARTNERSHIP AGREEMENT OR BY LAW FOR
6 AMENDING THE PARTNERSHIP AGREEMENT, TO BE GOVERNED BY THIS TITLE. WITH
7 RESPECT TO LIABILITIES OF THE PARTNERSHIP ARISING AFTER SUCH ELECTION,
8 THE PROVISIONS OF THIS TITLE RELATING TO THE LIABILITY OF THE
9 PARTNERSHIP'S PARTNERS TO THIRD PARTIES, OTHER THAN THOSE PROVISIONS
10 DEALING WITH REGISTERED LIMITED LIABILITY PARTNERSHIPS, APPLY TO LIMIT
11 THOSE PARTNERS' LIABILITY TO A THIRD PARTY WHO HAD DONE BUSINESS WITH
12 THE PARTNERSHIP WITHIN 1 YEAR PRIOR TO THE PARTNERSHIP'S ELECTION TO BE
13 GOVERNED BY THIS TITLE, ONLY IF THE THIRD PARTY KNOWS OR HAS RECEIVED A
14 NOTIFICATION OF THE PARTNERSHIP'S ELECTION TO BE GOVERNED BY THIS TITLE
15 BEFORE THE LIABILITY IS INCURRED.

16 9-1205. SAVINGS CLAUSE.

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

19 10-101.

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

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

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

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

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

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

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

38 (h) "Limited partner" means a person who has been admitted to a limited
39 partnership as a limited partner in accordance with the partnership agreement and has

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1 been named as a limited partner in the certificate or similar instrument of the state or
2 foreign country under which the limited partnership is organized if so required.

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

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

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

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

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

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

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

19 10-106.

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

22 10-208.

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

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

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

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

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

32 (6) "FOREIGN PARTNERSHIP" MEANS A PARTNERSHIP FORMED UNDER
33 THE LAWS OF ANY STATE, OTHER THAN THIS STATE, OR UNDER THE LAWS OF A
34 FOREIGN COUNTRY.

35 (b) Unless the partnership agreement provides otherwise, a domestic limited
36 partnership may merge into one or more domestic or foreign PARTNERSHIPS, limited
37 partnerships or limited liability companies, corporations having capital stock, or business
38 trusts having transferable units of beneficial interest; or one or more domestic or foreign

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1 PARTNERSHIPS, limited partnerships or limited liability companies, corporations having
2 capital stock, or business trusts having transferable units of beneficial interest may merge
3 into a domestic limited partnership.

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

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

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

11 [(2)] (3) Unless the partnership agreement provides otherwise, a limited
12 partnership shall approve the proposed merger by the affirmative vote of all of the
13 general partners and a majority in interest of the limited partners;

14 [(3)] (4) A foreign limited partnership party to the merger shall have the
15 merger advised, authorized, and approved in the manner and by the vote required by the
16 laws of the place where it is organized;

17 [(4)] (5) A limited liability company shall approve the merger in the manner
18 provided under § 4A-703 of this article; and

19 [(5)] (6) A foreign limited liability company shall have the merger advised,
20 authorized, and approved in the manner and by the vote required by the laws of the place
21 where it is organized.

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

24 (1) Executed:

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

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

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

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

34 (2) Filed for record with the Department.

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

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

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

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

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

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

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

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

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

17 (f) Each limited partner of a limited partnership objecting to a merger of the
 18 limited partnership has the same rights with respect to its partnership interest as an
 19 objecting stockholder of a Maryland corporation has with respect to its stock under Title
 20 3, Subtitle 2 of this article. The procedures under that subtitle shall be applicable to the
 21 extent practicable.

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

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

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

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

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

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

35 (h) (1) In order to keep the land assessment records current in each county, the
 36 Department shall require a PARTNERSHIP, limited partnership, corporation, limited
 37 liability company, or business trust to submit with the articles of merger a property
 38 certificate for each county where a merging PARTNERSHIP, limited partnership,

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1 corporation, limited liability company, or business trust other than the successor owns an
2 interest in land.

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

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

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

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

14 (5) A transfer, vesting, or devolution of title to the property is not
15 invalidated or otherwise affected by any error or defect in the property certificate, failure
16 to file the property certificate, or failure by the Department to act on the property
17 certificate.

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

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

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

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

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

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

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

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

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

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- 1 authorized persons, or trustees or by the appropriate general partners, officers,
- 2 authorized persons, or trustees of the successor.

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

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

13 (k) If, following a merger involving one or more domestic limited partnerships,
14 the successor PARTNERSHIP OR limited partnership is not a domestic PARTNERSHIP OR
15 limited partnership, there shall be included in the articles of merger filed pursuant to
16 subsection (d)(1) of this section for each domestic limited partnership a statement that
17 the successor PARTNERSHIP OR limited partnership agrees that it may be served with
18 process in the State of Maryland in any action, suit, or proceeding for the enforcement of
19 any obligation of the domestic limited partnership that arose before the merger,
20 irrevocably appointing the Department as its agent to accept service of process in any
21 such action, suit, or proceeding and specifying the address to which a copy of the process
22 shall be mailed to it by the Department.

23 10-402.

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

26 (1) The person's withdrawal from the limited partnership as provided in §
27 10-602 OF THIS TITLE;

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

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

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

33 (ii) Filing a voluntary petition in bankruptcy;

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

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

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

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

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

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

13 (i) Death; or

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

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

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

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

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

26 10-403.

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

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

32 10-607.

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

37 10-608.

38 (a) (1) If a limited partner has received the return of any part of his
 39 contribution without violation of the certificate, partnership agreement, or this title, he is

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1 liable to the limited partnership for a period of 1 year thereafter for the amount of the
2 returned contribution, but only to the extent necessary to discharge the limited
3 partnership's liabilities to creditors who extended credit to the limited partnership during
4 the period the contribution was held by the LIMITED partnership.

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

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

13 10-912.

14 (a) If a foreign limited partnership that owns property, rights, privileges,
15 franchises, or other assets located in this State is a party to a merger in which a foreign
16 corporation, FOREIGN PARTNERSHIP, FOREIGN LIMITED LIABILITY COMPANY, or
17 another foreign limited partnership is the successor, the transfer to, vesting in, or
18 devolution on the successor of the property, rights, privileges, franchises, or other assets
19 of the nonsurviving foreign limited partnership is effective as provided by the laws of the
20 place that governs the merger.

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

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

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

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

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

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

29 (iv) The name of the successor; and

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

33 (3) THE CERTIFICATE SHALL BE EXECUTED:

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

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

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

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

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

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

14 10-1001.

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

23 **Article - Tax - General**

24 4-301.

25 (c) If a limited liability company, OR LIMITED LIABILITY PARTNERSHIP,
26 INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY
27 LIMITED PARTNERSHIP, is required to pay the admissions and amusement tax, personal
28 liability for the tax and interest AND penalties on the tax extends to any person who
29 exercises direct control over the fiscal management of the limited liability company OR
30 LIMITED LIABILITY PARTNERSHIP.

31 10-906.

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

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

40 (i) any person who exercises direct control over its fiscal management;
41 and

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

3 11-601.

4 (d) If a buyer or vendor liable for the sales and use tax and for the interest and
5 penalties of the tax under subsection (c) of this section is a corporation or limited liability
6 company OR LIMITED LIABILITY PARTNERSHIP (INCLUDING A LIMITED
7 PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP),
8 personal liability for the sales and use tax and for the interest and penalties of the tax
9 extends to:

10 (1) in the case of a corporation:

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

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

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

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

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

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

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

22 (II) IF THE LIMITED LIABILITY PARTNERSHIP HAS A WRITTEN
23 PARTNERSHIP AGREEMENT, THOSE INDIVIDUALS WHO MANAGE THE BUSINESS AND
24 AFFAIRS OF THE LIMITED LIABILITY PARTNERSHIP.

25 (G) THE SAME RULES AND EXCEPTIONS APPLICABLE TO A MEMBER OF A
26 LIMITED LIABILITY COMPANY SET FORTH IN SUBSECTIONS (E) AND (F) OF THIS
27 SECTION SHALL BE APPLICABLE TO INDIVIDUALS AND MEMBERS OF LIMITED
28 LIABILITY PARTNERSHIPS.

29 **Article - Tax - Property**

30 12-101.

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

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

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

35 (2) "Instrument of writing" includes:

36 (i) a deed or contract;

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

3 (iii) a lease of real property;

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

5 (v) articles of transfer;

6 (vi) a security agreement;

7 (vii) articles of merger or other document which evidences a merger of
8 foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or
9 foreign limited partnerships; and

10 (viii) articles of consolidation or other document which evidences a
11 consolidation of foreign corporations.

12 (i) "Articles of merger" means a document filed with the Department under §
13 3-107, § 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article which
14 evidences a merger involving at least one Maryland corporation, Maryland limited
15 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

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

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

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

25 12-103.

26 (d) For articles of transfer, articles of merger, or articles of consolidation filed
27 with the Department under § 3-107 of the Corporations and Associations Article, or
28 other document filed with the Department which evidences a merger or consolidation of
29 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
30 foreign limited partnerships, the recordation tax rate is \$1.65. The Department shall
31 collect the recordation tax when the articles of transfer, articles of merger, articles of
32 consolidation, or other document which evidences a merger or consolidation of foreign
33 corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or foreign
34 limited partnerships are filed.

35 12-105.

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

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1 (2) For a transfer by articles of merger, articles of consolidation, or other
2 documents which evidence a merger or consolidation of foreign corporations, foreign
3 limited liability companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships,
4 the recordation tax applies to the value of the real property determined by the
5 Department at the date of finality immediately before the date of the merger or
6 consolidation.

7 12-109.

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

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

14 (3) The recordation tax on a security agreement, articles of transfer, articles
15 of merger, articles of consolidation or other documents which evidence a merger or
16 consolidation of foreign corporations, FOREIGN PARTNERSHIPS, foreign limited liability
17 companies, or foreign limited partnerships filed with the Department shall be paid to the
18 Department.

19 13-101.

20 (c) (1) "Instrument of writing" means a written instrument that conveys title to,
21 or a leasehold interest in, real property.

22 (2) "Instrument of writing" includes:

23 (i) a deed or contract;

24 (ii) a lease;

25 (iii) an assignment of a lessee's interest;

26 (iv) articles of transfer;

27 (v) articles of merger or other document which evidences a merger of
28 foreign corporations, foreign limited liability companies, FOREIGN PARTNERSHIPS, or
29 foreign limited partnerships; and

30 (vi) articles of consolidation or other document which evidences a
31 consolidation of foreign corporations.

32 (3) "Instrument of writing" does not include:

33 (i) a mortgage, deed of trust, or other contract that creates an
34 encumbrance on real property; or

35 (ii) a security agreement, as defined in § 12-101(e) of this article.

36 (e) "Articles of merger" means a document filed with the Department under §
37 3-107, § 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article which

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1 evidences a merger involving at least one Maryland corporation, Maryland limited
2 liability company, MARYLAND PARTNERSHIP, or Maryland limited partnership.

3 (g) "Documents which evidence the merger or consolidation of foreign
4 corporations, FOREIGN PARTNERSHIPS, foreign limited liability companies, or foreign
5 limited partnerships" means those documents that are filed or recorded with:

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

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

12 13-205.

13 (d) (1) For a transfer under § 13-206 of this title, the transfer tax applies to the
14 value of the real property determined by the Department at the date of finality
15 immediately before the date of transfer.

16 (2) For a transfer by articles of merger, articles of consolidation, or other
17 documents which evidence a merger or consolidation of foreign corporations, FOREIGN
18 PARTNERSHIPS, foreign limited liability companies, or foreign limited partnerships, the
19 transfer tax applies to the value of the real property determined by the Department at the
20 date of finality immediately before the date of the merger or consolidation.

21 13-404.

22 (a) Except as provided under subsection (b) of this section, the Department shall
23 collect county transfer tax at the rate set by each county for articles of transfer, articles of
24 consolidation, or articles of merger filed with the Department as required by § 3-107, §
25 4A-704, § 9-903, or § 10-208 of the Corporations and Associations Article, or other
26 document filed with the clerk of the circuit court of a county or the Department which
27 evidences a merger or consolidation of foreign corporations, foreign limited liability
28 companies, FOREIGN PARTNERSHIPS, or foreign limited partnerships.

29 (e) (1) Articles of transfer, articles of merger, articles of consolidation or other
30 document which evidences a merger or consolidation of foreign corporations or foreign
31 limited liability companies OR FOREIGN PARTNERSHIPS that are subject to county
32 transfer tax under this section also may be taxable under § 13-202 or § 13-302 of this title
33 or § 12-102 of this article.

34 (2) Before a transfer of title may be made under articles of transfer, articles
35 of merger, articles of consolidation, or other document which evidences a merger or
36 consolidation of foreign corporations or foreign limited liability companies OR FOREIGN
37 PARTNERSHIPS for any property for which a property certificate is required under §
38 3-112 or § 4A-708 of the Corporations and Associations Article, all recordation and
39 transfer taxes shall be paid.

40 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be applied
41 and construed to effectuate its general purpose to make uniform the law with respect to
42 the subject of this Act among states enacting it.

1 SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this Act
2 or the application thereof to any person or circumstance is held invalid for any reason in
3 a court of competent jurisdiction, the invalidity does not affect other provisions or any
4 other application of this Act which can be given effect without the invalid provision or
5 application, and for this purpose the provisions of this Act are declared severable.

6 SECTION 5. AND BE IT FURTHER ENACTED, That this Act does not affect an
7 action or proceeding commenced or right accrued before this Act takes effect.

8 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 1997.