
By: **Delegate Barve**

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Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Corporations - Business Trusts - Formation and Powers**

3 FOR the purpose of providing for the formation and powers of business trusts, other
4 than real estate investment trusts; providing for the application of certain laws
5 to business trusts; providing for the organization, termination, or dissolution of
6 a business trust under certain circumstances; requiring a business trust to
7 designate a resident agent under certain circumstances; requiring a business
8 trust to file a certificate of trust with the State Department of Assessments and
9 Taxation under certain circumstances; providing for the content, amendment,
10 cancellation, effectiveness, and filing of a certificate of trust; imposing certain
11 requirements on the name of a business trust in a certificate of trust; specifying
12 the provisions that a governing instrument may contain; imposing certain
13 requirements on the contribution, liability, interests, and rights of a beneficial
14 owner of a business trust; imposing certain requirements on the powers and
15 liability of a trustee of a business trust; providing for certain legal proceedings of
16 a business trust under certain circumstances; providing for the merger or
17 consolidation of a business trust under certain circumstances; requiring a
18 business trust to pay certain fees to the Department under certain
19 circumstances; defining certain terms; making the provisions of this Act
20 severable; providing for the applicability of this Act to common law business
21 trusts under certain circumstances; and generally relating to the formation and
22 powers of business trusts.

23 BY adding to

24 Article - Corporations and Associations

25 Section 12-101 through 12-702, inclusive, to be under the new title "Title 12.

26 Business Trusts"

27 Annotated Code of Maryland

28 (1993 Replacement Volume and 1998 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

30 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Corporations and Associations**

2 TITLE 12. BUSINESS TRUSTS.

3 SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

4 12-101.

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

6 (B) "BENEFICIAL OWNER" MEANS ANY OWNER OF A BENEFICIAL INTEREST IN
7 A BUSINESS TRUST, THE FACT OF OWNERSHIP TO BE DETERMINED AND EVIDENCED,
8 WHETHER BY MEANS OF REGISTRATION, THE ISSUANCE OF CERTIFICATES OR
9 OTHERWISE, IN CONFORMITY TO THE APPLICABLE PROVISIONS OF THE GOVERNING
10 INSTRUMENT OF THE BUSINESS TRUST.

11 (C) (1) "BUSINESS TRUST" MEANS AN UNINCORPORATED BUSINESS, TRUST,
12 OR ASSOCIATION THAT:

13 (I) IS CREATED BY A GOVERNING INSTRUMENT UNDER WHICH:

14 1. PROPERTY IS OR WILL BE HELD, MANAGED,
15 ADMINISTERED, CONTROLLED, INVESTED, REINVESTED, OR OPERATED BY A
16 TRUSTEE FOR THE BENEFIT OF PERSONS AS ARE OR MAY BECOME ENTITLED TO A
17 BENEFICIAL INTEREST IN THE TRUST PROPERTY; OR

18 2. BUSINESS OR PROFESSIONAL ACTIVITIES FOR PROFIT
19 ARE CARRIED ON OR WILL BE CARRIED ON BY A TRUSTEE FOR THE BENEFIT OF
20 PERSONS AS ARE OR MAY BECOME ENTITLED TO A BENEFICIAL INTEREST IN THE
21 TRUST PROPERTY; AND

22 (II) FILES A CERTIFICATE OF TRUST UNDER § 12-204 OF THIS TITLE.

23 (2) "BUSINESS TRUST" INCLUDES:

24 (I) A TRUST OF THE TYPE KNOWN AT COMMON LAW AS A
25 "BUSINESS TRUST" OR "MASSACHUSETTS TRUST"; OR

26 (II) A TRUST QUALIFYING AS A REAL ESTATE MORTGAGE
27 INVESTMENT CONDUIT UNDER SECTION 860D OF THE UNITED STATES INTERNAL
28 REVENUE CODE OF 1986, AS AMENDED, OR UNDER ANY SUCCESSOR PROVISION.

29 (3) "BUSINESS TRUST" DOES NOT INCLUDE A TRUST ORGANIZED AS A
30 REAL ESTATE INVESTMENT TRUST UNDER TITLE 8 OF THIS ARTICLE.

31 (D) "FOREIGN LIMITED LIABILITY COMPANY" HAS THE MEANING STATED IN §
32 4A-101(J) OF THIS ARTICLE.

33 (E) "FOREIGN LIMITED PARTNERSHIP" HAS THE MEANING STATED IN §
34 10-101(F) OF THIS ARTICLE.

1 (F) "GOVERNING INSTRUMENT" MEANS A TRUST INSTRUMENT WHICH
2 CREATES A BUSINESS TRUST AND PROVIDES FOR THE GOVERNANCE OF THE AFFAIRS
3 OF THE BUSINESS TRUST AND THE CONDUCT OF ITS BUSINESS.

4 (G) (1) "OTHER BUSINESS ENTITY" MEANS A CORPORATION, A GENERAL OR
5 LIMITED PARTNERSHIP, A COMMON-LAW TRUST, A LIMITED LIABILITY COMPANY, A
6 REAL ESTATE INVESTMENT TRUST OR CORPORATION, OR ANY OTHER
7 UNINCORPORATED BUSINESS.

8 (2) "OTHER BUSINESS ENTITY" DOES NOT INCLUDE A BUSINESS TRUST.

9 (H) "PERSON" MEANS A NATURAL PERSON, PARTNERSHIP, LIMITED
10 PARTNERSHIP, LIMITED LIABILITY COMPANY, TRUST, ESTATE, ASSOCIATION,
11 CORPORATION, CUSTODIAN, NOMINEE OR ANY OTHER INDIVIDUAL OR ENTITY IN ITS
12 OWN OR ANY REPRESENTATIVE CAPACITY.

13 (I) (1) "TRUSTEE" MEANS THE PERSON APPOINTED AS A TRUSTEE IN
14 ACCORDANCE WITH THE GOVERNING INSTRUMENT OF A BUSINESS TRUST.

15 (2) "TRUSTEE" MAY INCLUDE A BENEFICIAL OWNER OF A BUSINESS
16 TRUST.

17 12-102.

18 (A) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
19 INSTRUMENT OF A BUSINESS TRUST OR IN THIS TITLE, THE LAWS OF THIS STATE
20 PERTAINING TO TRUSTS ARE HEREBY MADE APPLICABLE TO BUSINESS TRUSTS.

21 (B) FOR PURPOSES OF ANY TAX IMPOSED BY THE TAX-GENERAL ARTICLE OF
22 THE CODE, A BUSINESS TRUST SHALL BE CLASSIFIED AS A CORPORATION, AN
23 ASSOCIATION, A PARTNERSHIP, A TRUST OR OTHERWISE, AS SHALL BE DETERMINED
24 UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR
25 UNDER ANY SUCCESSOR PROVISION.

26 (C) ANY BUSINESS TRUST QUALIFYING AS A REAL ESTATE MORTGAGE
27 INVESTMENT CONDUIT UNDER SECTION 860D OF THE INTERNAL REVENUE CODE OR
28 ANY SUCCESSOR PROVISION SHALL BE EXEMPT FROM INCOME TAX EXCEPT THAT
29 PORTION OF ITS INCOME THAT IS SUBJECT TO FEDERAL INCOME TAX.

30 12-103.

31 A BUSINESS TRUST ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF
32 THIS TITLE IS A SEPARATE LEGAL ENTITY.

33 12-104.

34 THIS TITLE MAY BE CITED AS THE "MARYLAND BUSINESS TRUST ACT".

SUBTITLE 2. FORMATION AND POWERS.

12-201.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A BUSINESS TRUST MAY CARRY ON ANY LAWFUL BUSINESS FOR ANY PURPOSES.

(B) A BUSINESS TRUST MAY NOT CARRY ON THE BUSINESS OF:

(1) GRANTING POLICIES OF INSURANCE OR ASSUMING INSURANCE RISKS; OR

(2) BANKING.

12-202.

(A) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT OF THE BUSINESS TRUST, A BUSINESS TRUST:

(1) SHALL HAVE PERPETUAL EXISTENCE; AND

(2) MAY NOT BE TERMINATED OR REVOKED BY A BENEFICIAL OWNER OR OTHER PERSON EXCEPT IN ACCORDANCE WITH THE TERMS OF THE GOVERNING INSTRUMENT OF THE BUSINESS TRUST.

(B) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, THE DEATH, INCAPACITY, DISSOLUTION, TERMINATION, OR BANKRUPTCY OF A BENEFICIAL OWNER SHALL NOT RESULT IN THE TERMINATION OR DISSOLUTION OF A BUSINESS TRUST.

(C) IN THE EVENT THAT A BUSINESS TRUST DOES NOT HAVE PERPETUAL EXISTENCE, A BUSINESS TRUST IS DISSOLVED AND ITS AFFAIRS SHALL BE WOUND UP AT THE TIME OR ON THE HAPPENING OF EVENTS SPECIFIED IN THE GOVERNING INSTRUMENT.

(D) ON DISSOLUTION OF A BUSINESS TRUST AND UNTIL THE FILING OF A CERTIFICATE OF CANCELLATION AS PROVIDED IN § 12-204(D) OF THIS SUBTITLE, THE PERSONS WHO, UNDER THE GOVERNING INSTRUMENT OF THE BUSINESS TRUST, ARE RESPONSIBLE FOR WINDING UP THE BUSINESS TRUST'S AFFAIRS MAY, IN THE NAME OF AND FOR AND ON BEHALF OF THE BUSINESS TRUST, PROSECUTE AND DEFEND SUITS, WHETHER CIVIL, CRIMINAL, OR ADMINISTRATIVE, GRADUALLY SETTLE AND CLOSE THE BUSINESS TRUST BUSINESS, DISPOSE OF AND CONVEY THE BUSINESS TRUST PROPERTY, DISCHARGE OR MAKE REASONABLE PROVISION FOR THE BUSINESS TRUST LIABILITIES, AND DISTRIBUTE TO THE BENEFICIAL OWNERS ANY REMAINING ASSETS OF THE BUSINESS TRUST.

(E) (1) A BUSINESS TRUST WHICH HAS DISSOLVED SHALL PAY OR MAKE REASONABLE PROVISION TO PAY ALL CLAIMS AND OBLIGATIONS, INCLUDING ALL CONTINGENT, CONDITIONAL, OR UNMATURED CLAIMS AND OBLIGATIONS, KNOWN TO THE BUSINESS TRUST AND ALL CLAIMS AND OBLIGATIONS WHICH ARE KNOWN

1 TO THE BUSINESS TRUST BUT FOR WHICH THE IDENTITY OF THE CLAIMANT IS
2 UNKNOWN.

3 (2) IF THERE ARE SUFFICIENT ASSETS, SUCH CLAIMS AND OBLIGATIONS
4 SHALL BE PAID IN FULL AND ANY SUCH PROVISION FOR PAYMENT SHALL BE MADE
5 IN FULL.

6 (3) IF THERE ARE INSUFFICIENT ASSETS, SUCH CLAIMS AND
7 OBLIGATIONS SHALL BE PAID OR PROVIDED FOR ACCORDING TO THEIR PRIORITY
8 AND, AMONG CLAIMS AND OBLIGATIONS OF EQUAL PRIORITY, RATABLY TO THE
9 EXTENT OF ASSETS AVAILABLE.

10 (4) UNLESS OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT
11 OF A BUSINESS TRUST, ANY REMAINING ASSETS SHALL BE DISTRIBUTED TO THE
12 BENEFICIAL OWNERS.

13 (5) ANY PERSON, INCLUDING ANY TRUSTEE, WHO UNDER THE
14 GOVERNING INSTRUMENT OF THE BUSINESS TRUST IS RESPONSIBLE FOR WINDING
15 UP A BUSINESS TRUST'S AFFAIRS WHO HAS COMPLIED WITH THIS SUBSECTION IS
16 NOT PERSONALLY LIABLE TO THE CLAIMANTS OF THE DISSOLVED BUSINESS TRUST
17 BY REASON OF SUCH PERSON'S ACTIONS IN WINDING UP THE BUSINESS TRUST.

18 12-203.

19 (A) A MARYLAND BUSINESS TRUST SHALL HAVE:

20 (1) A PRINCIPAL OFFICE IN THIS STATE; AND

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

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

23 (II) A MARYLAND CORPORATION.

24 (B) (1) A BUSINESS TRUST MAY DESIGNATE OR CHANGE ITS RESIDENT
25 AGENT OR PRINCIPAL OFFICE BY FILING FOR RECORD WITH THE DEPARTMENT A
26 CERTIFIED COPY OF A RESOLUTION OF ITS TRUSTEES THAT AUTHORIZES THE
27 DESIGNATION OR CHANGE.

28 (2) A BUSINESS TRUST MAY CHANGE THE ADDRESS OF ITS RESIDENT
29 AGENT BY FILING FOR RECORD WITH THE DEPARTMENT A STATEMENT OF THE
30 CHANGE SIGNED BY ONE OF ITS TRUSTEES OR BY AN OFFICER OF THE BUSINESS
31 TRUST.

32 (3) A DESIGNATION OR CHANGE OF A BUSINESS TRUST'S PRINCIPAL
33 OFFICE OR ITS RESIDENT AGENT OR ITS RESIDENT AGENT'S ADDRESS UNDER THIS
34 SUBSECTION IS EFFECTIVE WHEN THE DEPARTMENT ACCEPTS THE RESOLUTION OR
35 STATEMENT FOR RECORD.

1 (C) (1) A RESIDENT AGENT WHO CHANGES THE RESIDENT AGENT'S
2 ADDRESS IN THE STATE SHALL NOTIFY THE DEPARTMENT OF THE CHANGE BY
3 FILING FOR RECORD WITH THE DEPARTMENT A STATEMENT OF THE CHANGE
4 SIGNED BY THE RESIDENT AGENT OR ON BEHALF OF THE RESIDENT AGENT.

5 (2) THE STATEMENT SHALL INCLUDE:

6 (I) THE NAMES OF THE BUSINESS TRUSTS FOR WHICH THE
7 CHANGE IS EFFECTIVE;

8 (II) THE RESIDENT AGENT'S OLD AND NEW ADDRESSES; AND

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

10 (3) IF THE OLD AND NEW ADDRESSES OF THE RESIDENT AGENT ARE
11 THE SAME AS THE OLD AND NEW ADDRESSES OF THE PRINCIPAL OFFICE OF THE
12 BUSINESS TRUST, THE STATEMENT MAY INCLUDE A CHANGE OF ADDRESS FOR THE
13 PRINCIPAL OFFICE IF:

14 (I) THE RESIDENT AGENT NOTIFIES THE BUSINESS TRUST IN
15 WRITING THAT THE STATEMENT WILL BE FILED; AND

16 (II) THE STATEMENT RECITES THAT THE RESIDENT AGENT HAS
17 DONE SO.

18 (4) THE CHANGE OF ADDRESS OF THE RESIDENT AGENT OR PRINCIPAL
19 OFFICE IS EFFECTIVE WHEN THE DEPARTMENT ACCEPTS THE STATEMENT FOR
20 RECORD.

21 (D) (1) A RESIDENT AGENT MAY RESIGN BY FILING WITH THE DEPARTMENT
22 A COUNTERPART OR PHOTOCOPY OF THE RESIDENT AGENT'S SIGNED RESIGNATION.

23 (2) UNLESS A LATER TIME IS SPECIFIED IN THE RESIGNATION, THE
24 RESIGNATION IS EFFECTIVE:

25 (I) AT THE TIME IT IS FILED WITH THE DEPARTMENT, IF THE
26 BUSINESS TRUST HAS MORE THAN ONE RESIDENT AGENT; OR

27 (II) 10 DAYS AFTER IT IS FILED WITH THE DEPARTMENT, IF THE
28 BUSINESS TRUST HAS ONLY ONE RESIDENT AGENT.

29 (E) SERVICE OF PROCESS ON A REGISTERED AGENT DESIGNATED BY A
30 BUSINESS TRUST UNDER SUBSECTION (B) OF THIS SECTION SHALL BE AS EFFECTIVE
31 AS IF SERVED ON ONE OF THE TRUSTEES OF THE BUSINESS TRUST.

32 12-204.

33 (A) (1) EVERY BUSINESS TRUST SHALL FILE A CERTIFICATE OF TRUST WITH
34 THE DEPARTMENT THAT SHALL SET FORTH:

35 (I) THE NAME OF THE BUSINESS TRUST;

1 (II) THE NAME AND THE BUSINESS ADDRESS OF THE RESIDENT
2 AGENT;

3 (III) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE BUSINESS
4 TRUST IN THE STATE; AND

5 (IV) ANY OTHER MATTERS THE TRUSTEES DETERMINE TO INCLUDE
6 IN THE CERTIFICATE.

7 (2) A BUSINESS TRUST IS FORMED AT THE TIME OF THE FILING OF THE
8 INITIAL CERTIFICATE OF TRUST WITH THE DEPARTMENT OR AT ANY LATER DATE OR
9 TIME SPECIFIED IN THE CERTIFICATE OF TRUST IF, IN EITHER CASE, THERE HAS
10 BEEN SUBSTANTIAL COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION.

11 (3) A CERTIFICATE OF TRUST SHALL BE SIGNED BY ALL OF THE
12 TRUSTEES.

13 (B) (1) A CERTIFICATE OF TRUST MAY BE AMENDED BY FILING A
14 CERTIFICATE OF AMENDMENT TO THE CERTIFICATE OF TRUST WITH THE
15 DEPARTMENT. THE CERTIFICATE OF AMENDMENT SHALL SET FORTH:

16 (I) THE NAME OF THE BUSINESS TRUST; AND

17 (II) THE AMENDMENT TO THE CERTIFICATE OF TRUST.

18 (2) A CERTIFICATE OF TRUST MAY BE AMENDED AT ANY TIME FOR ANY
19 PURPOSE AS THE TRUSTEES MAY DETERMINE. A TRUSTEE WHO BECOMES AWARE
20 THAT ANY STATEMENT IN A CERTIFICATE OF TRUST WAS FALSE WHEN MADE OR
21 THAT ANY MATTER DESCRIBED HAS CHANGED MAKING THE CERTIFICATE OF TRUST
22 FALSE IN ANY MATERIAL RESPECT SHALL PROMPTLY FILE A CERTIFICATE OF
23 AMENDMENT.

24 (3) A CERTIFICATE OF AMENDMENT SHALL BE SIGNED BY ONE OR MORE
25 OF THE TRUSTEES OR BY AN OFFICER OF THE TRUST DULY AUTHORIZED BY A
26 MAJORITY OF THE TRUSTEES.

27 (C) (1) A CERTIFICATE OF TRUST SHALL BE CANCELED ON THE
28 COMPLETION OF WINDING UP OF THE BUSINESS TRUST AND ITS TERMINATION. A
29 CERTIFICATE OF CANCELLATION SHALL BE FILED IN THE OFFICE OF THE
30 SECRETARY OF STATE AND SET FORTH:

31 (I) THE NAME OF THE BUSINESS TRUST;

32 (II) THE DATE OF FILING OF ITS CERTIFICATE OF TRUST; AND

33 (III) ANY OTHER INFORMATION THE TRUSTEES DETERMINE TO
34 INCLUDE IN THE CERTIFICATE OF CANCELLATION.

35 (2) A CERTIFICATE OF CANCELLATION SHALL BE SIGNED BY A
36 MAJORITY OF THE TRUSTEES OR BY AN OFFICER OF THE TRUST DULY AUTHORIZED

1 BY A MAJORITY OF THE TRUSTEES, OR IF THERE IS NO TRUSTEE, AS PROVIDED IN
2 THE GOVERNING INSTRUMENT OF THE BUSINESS TRUST.

3 (D) (1) A CERTIFICATE OF TRUST, CERTIFICATE OF AMENDMENT, OR
4 CERTIFICATE OF CANCELLATION SHALL BE EFFECTIVE WHEN ACCEPTED FOR
5 RECORD BY THE DEPARTMENT OR AT ANY LATER TIME SPECIFIED IN THE
6 CERTIFICATE.

7 (2) IF ANY CERTIFICATE FILED IN ACCORDANCE WITH THIS SECTION
8 PROVIDES FOR A FUTURE EFFECTIVE DATE OR TIME AND IF THE TRANSACTION IS
9 TERMINATED OR AMENDED TO CHANGE THE FUTURE EFFECTIVE DATE OR TIME
10 PRIOR TO THE FUTURE EFFECTIVE DATE OR TIME, THE CERTIFICATE SHALL BE
11 TERMINATED OR AMENDED BY THE FILING, PRIOR TO THE FUTURE EFFECTIVE DATE
12 OR TIME SET FORTH IN SUCH ORIGINAL CERTIFICATE, OF A CERTIFICATE OF
13 TERMINATION OR AMENDMENT OF THE ORIGINAL CERTIFICATE, EXECUTED AND
14 FILED IN ACCORDANCE WITH THIS TITLE, WHICH SHALL IDENTIFY THE ORIGINAL
15 CERTIFICATE WHICH HAS BEEN TERMINATED OR AMENDED AND SHALL STATE THAT
16 THE ORIGINAL CERTIFICATE HAS BEEN TERMINATED OR AMENDED.

17 (E) THE EXECUTION OF A CERTIFICATE BY A TRUSTEE OR DULY AUTHORIZED
18 OFFICER CONSTITUTES AN AFFIRMATION UNDER THE PENALTIES OF PERJURY
19 THAT, TO THE BEST OF THE TRUSTEE'S OR OFFICER'S KNOWLEDGE AND BELIEF, THE
20 FACTS STATED IN THE CERTIFICATE ARE TRUE.

21 12-205.

22 (A) (1) AN EXECUTED COPY OF EACH CERTIFICATE REQUIRED BY THIS
23 SUBTITLE SHALL BE FILED WITH THE DEPARTMENT.

24 (2) THE DEPARTMENT MAY NOT ACCEPT FOR RECORD ANY CERTIFICATE
25 THAT DOES NOT MEET THE REQUIREMENTS OF THIS SUBTITLE.

26 (3) THE DEPARTMENT MAY NOT ACCEPT FOR RECORD OR FILING ANY
27 CERTIFICATE OR OTHER DOCUMENT UNTIL ALL REQUIRED FEES HAVE BEEN PAID
28 TO THE DEPARTMENT.

29 (B) WHEN THE DEPARTMENT ACCEPTS FOR RECORD ANY CERTIFICATE OR
30 ANY DOCUMENT DESIGNATING OR CHANGING THE NAME OR ADDRESS OF A
31 RESIDENT AGENT OR PRINCIPAL OFFICE OF A MARYLAND BUSINESS TRUST, THE
32 DEPARTMENT SHALL:

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

35 (2) PROMPTLY RECORD THE DOCUMENT; AND

36 (3) RETURN THE DOCUMENT TO THE CORPORATION, ITS ATTORNEY, OR
37 ITS AGENT.

1 (C) IF A BUSINESS TRUST IS FILING ARTICLES OF MERGER OR
2 CONSOLIDATION OR A CERTIFICATE OF TERMINATION OR AMENDMENT OF A
3 MERGER OR CONSOLIDATION, THE ARTICLES OF MERGER OR CONSOLIDATION OR
4 CERTIFICATE OF TERMINATION OR AMENDMENT OF A MERGER OR CONSOLIDATION
5 MUST BE SIGNED BY A MAJORITY OF THE TRUSTEES, OR BY AN OFFICER OF THE
6 TRUST DULY AUTHORIZED BY A MAJORITY OF THE TRUSTEES, OR IF THE ARTICLES
7 OF MERGER OR CONSOLIDATION OR CERTIFICATE OF TERMINATION OR
8 AMENDMENT OF A MERGER OR CONSOLIDATION IS BEING FILED BY ANOTHER
9 BUSINESS ENTITY, THE ARTICLES OF MERGER OR CONSOLIDATION OR CERTIFICATE
10 OF TERMINATION OR AMENDMENT OF A MERGER OR CONSOLIDATION MUST BE
11 SIGNED BY A PERSON AUTHORIZED TO EXECUTE SUCH INSTRUMENT ON BEHALF OF
12 SUCH OTHER BUSINESS ENTITY.

13 (D) THE FACT THAT A CERTIFICATE OF TRUST IS ON FILE IN THE OFFICE OF
14 THE DEPARTMENT IS NOTICE THAT THE ENTITY FORMED IN CONNECTION WITH THE
15 FILING OF THE CERTIFICATE OF TRUST IS A BUSINESS TRUST FORMED UNDER THE
16 LAWS OF THE STATE AND IS NOTICE OF ALL OTHER FACTS WHICH ARE REQUIRED TO
17 BE SET FORTH IN A CERTIFICATE OF TRUST BY § 12-204 OF THIS SUBTITLE AND IS
18 NOTICE OF THE LIMITATION ON LIABILITY OF A SERIES OF A BUSINESS TRUST
19 WHICH IS PERMITTED TO BE SET FORTH IN A CERTIFICATE OF TRUST BY § 12-501(D)
20 OF THIS TITLE.

21 12-206.

22 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS SECTION,
23 THE NAME OF EACH BUSINESS TRUST AS SET FORTH IN ITS CERTIFICATE OF TRUST
24 MUST BE A NAME THAT DISTINGUISHES IT ON THE RECORDS OF THE DEPARTMENT
25 FROM THE NAME OF ANY OTHER BUSINESS TRUST OR OTHER BUSINESS ENTITY
26 RESERVED, REGISTERED, FORMED, OR ORGANIZED UNDER THE LAWS OF THE STATE
27 OR QUALIFIED TO DO BUSINESS OR REGISTERED AS A FOREIGN CORPORATION,
28 FOREIGN LIMITED PARTNERSHIP, OR FOREIGN LIMITED LIABILITY COMPANY IN THE
29 STATE.

30 (B) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS
31 SUBSECTION, A BUSINESS TRUST MAY REGISTER UNDER ANY NAME WHICH DOES
32 NOT DISTINGUISH IT ON THE RECORDS OF THE DEPARTMENT FROM THE NAME OF
33 ANY DOMESTIC OR FOREIGN CORPORATION, LIMITED PARTNERSHIP, REAL ESTATE
34 INVESTMENT TRUST, BUSINESS TRUST, OR LIMITED LIABILITY COMPANY RESERVED,
35 REGISTERED, FORMED, OR ORGANIZED UNDER THE LAWS OF THIS STATE WITH THE
36 WRITTEN CONSENT OF THE OTHER CORPORATION, LIMITED PARTNERSHIP,
37 BUSINESS TRUST, REAL ESTATE INVESTMENT TRUST, OR LIMITED LIABILITY
38 COMPANY.

39 (2) THE WRITTEN CONSENT PROVIDED UNDER PARAGRAPH (1) OF THIS
40 SUBSECTION SHALL BE FILED WITH THE DEPARTMENT.

41 (C) THE NAME OF EACH BUSINESS TRUST, AS SET FORTH IN ITS CERTIFICATE
42 OF TRUST, MAY CONTAIN THE FOLLOWING WORDS OR ABBREVIATIONS OF THE

1 FOLLOWING WORDS: "COMPANY", "ASSOCIATION", "CLUB", "FOUNDATION", "FUND",
2 "INSTITUTE", "SOCIETY", "UNION", "SYNDICATE", "LIMITED", OR "TRUST".

3 (D) THE EXCLUSIVE RIGHT TO THE USE OF A NAME MAY BE RESERVED BY:

4 (1) ANY PERSON INTENDING TO FORM A BUSINESS TRUST AND TO
5 ADOPT THAT NAME; AND

6 (2) ANY BUSINESS TRUST REGISTERED IN THIS STATE THAT PROPOSES
7 TO CHANGE ITS NAME.

8 (E) (1) THE RESERVATION OF A SPECIFIED NAME SHALL BE MADE BY
9 FILING AN APPLICATION WITH THE DEPARTMENT.

10 (2) IF THE DEPARTMENT FINDS THAT THE NAME IS AVAILABLE FOR USE
11 BY A BUSINESS TRUST, THE DEPARTMENT SHALL RESERVE THE NAME FOR THE
12 EXCLUSIVE USE OF THE APPLICANT FOR A PERIOD OF 30 DAYS.

13 (3) IF AN APPLICANT HAS RESERVED A NAME, THE APPLICANT MAY
14 AGAIN RESERVE THE SAME NAME FOR SUCCESSIVE 30-DAY PERIODS.

15 (F) THE RIGHT TO THE EXCLUSIVE USE OF A RESERVED NAME MAY BE
16 TRANSFERRED TO ANY OTHER PERSON BY FILING WITH THE DEPARTMENT A NOTICE
17 OF THE TRANSFER WHICH SPECIFIES THE NAME AND ADDRESS OF THE TRANSFEREE
18 AND IS EXECUTED BY THE APPLICANT FOR WHOM THE NAME WAS RESERVED.

19 (G) THE FEES SET FORTH IN § 12-701 OF THIS TITLE SHALL BE PAID AT THE
20 TIME OF THE INITIAL RESERVATION OF ANY NAME, AT THE TIME OF THE RENEWAL
21 OF THE RESERVATION, AND AT THE TIME OF THE FILING OF A NOTICE OF THE
22 TRANSFER OR CANCELLATION OF THE RESERVATION.

23 12-207.

24 (A) A GOVERNING INSTRUMENT MAY:

25 (1) PROVIDE THAT A PERSON SHALL BECOME A BENEFICIAL OWNER
26 AND SHALL BECOME BOUND BY THE GOVERNING INSTRUMENT IF SUCH PERSON, OR
27 A REPRESENTATIVE AUTHORIZED BY SUCH PERSON ORALLY, IN WRITING, OR BY
28 OTHER ACTION SUCH AS PAYMENT FOR A BENEFICIAL INTEREST, COMPLIES WITH
29 THE CONDITIONS FOR BECOMING A BENEFICIAL OWNER SET FORTH IN THE
30 GOVERNING INSTRUMENT OR ANY OTHER WRITING AND ACQUIRES A BENEFICIAL
31 INTEREST;

32 (2) CONSIST OF ONE OR MORE AGREEMENTS, INSTRUMENTS, OR OTHER
33 WRITINGS AND MAY INCLUDE OR INCORPORATE BYLAWS CONTAINING PROVISIONS
34 RELATING TO THE BUSINESS OF THE BUSINESS TRUST, THE CONDUCT OF ITS
35 AFFAIRS, AND ITS RIGHTS OR POWERS OR THE RIGHTS OR POWERS OF ITS TRUSTEES,
36 BENEFICIAL OWNERS, AGENTS, OR EMPLOYEES; AND

1 (3) CONTAIN ANY PROVISION THAT IS NOT INCONSISTENT WITH LAW OR
2 WITH THE INFORMATION CONTAINED IN THE CERTIFICATE OF TRUST.

3 (B) A GOVERNING INSTRUMENT MAY CONTAIN ANY PROVISION RELATING TO
4 THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE BUSINESS TRUST, AND
5 THE RIGHTS, DUTIES, AND OBLIGATIONS OF THE TRUSTEES, BENEFICIAL OWNERS,
6 AND OTHER PERSONS, WHICH IS NOT CONTRARY TO ANY PROVISION OR
7 REQUIREMENT OF THIS TITLE AND, WITHOUT LIMITATION:

8 (1) MAY PROVIDE FOR CLASSES, GROUPS, OR SERIES OF TRUSTEES OR
9 BENEFICIAL OWNERS, OR CLASSES, GROUPS, OR SERIES OF BENEFICIAL INTERESTS,
10 HAVING SUCH RELATIVE RIGHTS, POWERS, AND DUTIES AS THE GOVERNING
11 INSTRUMENT MAY PROVIDE, AND MAY MAKE PROVISION FOR THE FUTURE
12 CREATION IN THE MANNER PROVIDED IN THE GOVERNING INSTRUMENT OF
13 ADDITIONAL CLASSES, GROUPS OR SERIES OF TRUSTEES, BENEFICIAL OWNERS, OR
14 BENEFICIAL INTERESTS, HAVING THE RELATIVE RIGHTS, POWERS, AND DUTIES AS
15 MAY FROM TIME TO TIME BE ESTABLISHED, INCLUDING RIGHTS, POWERS, AND
16 DUTIES SENIOR OR SUBORDINATE TO EXISTING CLASSES, GROUPS, OR SERIES OF
17 TRUSTEES, BENEFICIAL OWNERS, OR BENEFICIAL INTERESTS;

18 (2) MAY ESTABLISH OR PROVIDE FOR THE ESTABLISHMENT OF
19 DESIGNATED SERIES OF TRUSTEES, BENEFICIAL OWNERS, OR BENEFICIAL
20 INTERESTS HAVING SEPARATE RIGHTS, POWERS, OR DUTIES WITH RESPECT TO
21 SPECIFIED PROPERTY OR OBLIGATIONS OF THE BUSINESS TRUST OR PROFITS AND
22 LOSSES ASSOCIATED WITH SPECIFIED PROPERTY OR OBLIGATIONS AND, TO THE
23 EXTENT PROVIDED IN THE GOVERNING INSTRUMENT, ANY SERIES MAY HAVE A
24 SEPARATE BUSINESS PURPOSE OR INVESTMENT OBJECTIVE;

25 (3) MAY PROVIDE FOR THE TAKING OF ANY ACTION, INCLUDING THE
26 AMENDMENT OF THE GOVERNING INSTRUMENT, THE ACCOMPLISHMENT OF A
27 MERGER OR CONSOLIDATION, THE APPOINTMENT OF ONE OR MORE TRUSTEES, THE
28 SALE, LEASE, EXCHANGE, TRANSFER, PLEDGE, OR OTHER DISPOSITION OF ALL OR
29 ANY PART OF THE ASSETS OF THE BUSINESS TRUST OR THE ASSETS OF ANY SERIES,
30 OR THE DISSOLUTION OF THE BUSINESS TRUST, OR MAY PROVIDE FOR THE TAKING
31 OF ANY ACTION TO CREATE, UNDER THE PROVISIONS OF THE GOVERNING
32 INSTRUMENT, A CLASS, GROUP, OR SERIES OF BENEFICIAL INTERESTS THAT WAS
33 NOT PREVIOUSLY OUTSTANDING, IN ANY SUCH CASE WITHOUT THE VOTE OR
34 APPROVAL OF ANY PARTICULAR TRUSTEE OR BENEFICIAL OWNER, OR CLASS,
35 GROUP, OR SERIES OF TRUSTEES OR BENEFICIAL OWNERS;

36 (4) MAY GRANT TO, OR WITHHOLD FROM, ALL OR CERTAIN TRUSTEES
37 OR BENEFICIAL OWNERS, OR A SPECIFIED CLASS, GROUP, OR SERIES OF TRUSTEES
38 OR BENEFICIAL OWNERS, THE RIGHT TO VOTE, SEPARATELY OR WITH ANY OR ALL
39 OTHER CLASSES, GROUPS, OR SERIES OF TRUSTEES OR BENEFICIAL OWNERS, ON
40 ANY MATTER, SUCH VOTING BEING ON A PER CAPITA, NUMBER, FINANCIAL
41 INTEREST, CLASS, GROUP, SERIES, OR ANY OTHER BASIS;

42 (5) MAY, IF AND TO THE EXTENT THAT VOTING RIGHTS ARE GRANTED
43 UNDER THE GOVERNING INSTRUMENT, SET FORTH PROVISIONS RELATING TO

1 NOTICE OF THE TIME, PLACE, OR PURPOSE OF ANY MEETING AT WHICH ANY MATTER
2 IS TO BE VOTED ON, WAIVER OF ANY SUCH NOTICE, ACTION BY CONSENT WITHOUT A
3 MEETING, THE ESTABLISHMENT OF RECORD DATES, QUORUM REQUIREMENTS,
4 VOTING IN PERSON, BY PROXY OR IN ANY OTHER MANNER, OR ANY OTHER MATTER
5 WITH RESPECT TO THE EXERCISE OF THE RIGHT TO VOTE;

6 (6) MAY PROVIDE FOR THE PRESENT OR FUTURE CREATION OF MORE
7 THAN ONE BUSINESS TRUST, INCLUDING THE CREATION OF A FUTURE BUSINESS
8 TRUST TO WHICH ALL OR ANY PART OF THE ASSETS, LIABILITIES, PROFITS, OR
9 LOSSES OF ANY EXISTING BUSINESS TRUST WILL BE TRANSFERRED, AND FOR THE
10 CONVERSION OF BENEFICIAL INTERESTS IN AN EXISTING BUSINESS TRUST OR
11 SERIES, INTO BENEFICIAL INTERESTS IN THE SEPARATE BUSINESS TRUST OR
12 SERIES; AND

13 (7) MAY PROVIDE FOR THE APPOINTMENT, ELECTION, OR
14 ENGAGEMENT, EITHER AS AGENTS OR INDEPENDENT CONTRACTORS OF THE
15 BUSINESS TRUST OR AS DELEGATES OF THE TRUSTEES, OF OFFICERS, EMPLOYEES,
16 MANAGERS, OR OTHER PERSONS WHO MAY MANAGE THE BUSINESS AND AFFAIRS OF
17 THE BUSINESS TRUST AND MAY HAVE THE TITLES AND THE RELATIVE RIGHTS,
18 POWERS, AND DUTIES AS THE GOVERNING INSTRUMENT SHALL PROVIDE.

19 12-208.

20 EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
21 INSTRUMENT OF A BUSINESS TRUST, THE TRUSTEES SHALL CHOOSE AND SUPERVISE
22 THE OFFICERS, MANAGERS, EMPLOYEES, AND OTHER PERSONS OF THE BUSINESS
23 TRUST.

24 SUBTITLE 3. BENEFICIAL OWNERS.

25 12-301.

26 (A) (1) A CONTRIBUTION OF A BENEFICIAL OWNER TO THE BUSINESS
27 TRUST MAY BE IN CASH, PROPERTY, OR SERVICES RENDERED, OR A PROMISSORY
28 NOTE OR OTHER OBLIGATION TO CONTRIBUTE CASH OR PROPERTY OR TO PERFORM
29 SERVICES.

30 (2) A PERSON MAY BECOME A BENEFICIAL OWNER OF A BUSINESS
31 TRUST AND MAY RECEIVE A BENEFICIAL INTEREST IN A BUSINESS TRUST WITHOUT
32 MAKING A CONTRIBUTION OR BEING OBLIGATED TO MAKE A CONTRIBUTION TO THE
33 BUSINESS TRUST.

34 (B) (1) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT, A
35 BENEFICIAL OWNER IS OBLIGATED TO THE BUSINESS TRUST TO PERFORM ANY
36 PROMISE TO CONTRIBUTE CASH OR PROPERTY OR TO PERFORM SERVICES, EVEN IF
37 THE BENEFICIAL OWNER IS UNABLE TO PERFORM BECAUSE OF DEATH, DISABILITY,
38 OR ANY OTHER REASON.

39 (2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (3) OF THIS
40 SUBSECTION, IF A BENEFICIAL OWNER DOES NOT MAKE THE REQUIRED

1 CONTRIBUTION OF PROPERTY OR SERVICES, THE BENEFICIAL OWNER IS OBLIGATED
2 AT THE OPTION OF THE BUSINESS TRUST TO CONTRIBUTE CASH EQUAL TO THAT
3 PORTION OF THE AGREED VALUE, AS STATED IN THE RECORDS OF THE BUSINESS
4 TRUST, OF THE CONTRIBUTION THAT HAS NOT BEEN MADE.

5 (3) THE OPTION PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION
6 SHALL BE IN ADDITION TO, AND NOT IN LIEU OF, ANY OTHER RIGHTS, INCLUDING
7 THE RIGHT TO SPECIFIC PERFORMANCE, THAT THE BUSINESS TRUST MAY HAVE
8 AGAINST THE BENEFICIAL OWNER UNDER THE GOVERNING INSTRUMENT OR
9 APPLICABLE LAW.

10 (C) (1) A GOVERNING INSTRUMENT MAY PROVIDE THAT THE INTEREST OF
11 ANY BENEFICIAL OWNER WHO FAILS TO MAKE ANY CONTRIBUTION THAT THE
12 BENEFICIAL OWNER IS OBLIGATED TO MAKE SHALL BE SUBJECT TO SPECIFIC
13 PENALTIES FOR, OR SPECIFIED CONSEQUENCES OF, THE FAILURE.

14 (2) THE PENALTY OR CONSEQUENCE MAY TAKE THE FORM OF:

15 (I) REDUCING OR ELIMINATING THE DEFAULTING BENEFICIAL
16 OWNER'S PROPORTIONATE INTEREST IN THE BUSINESS TRUST, SUBORDINATING
17 THE BENEFICIAL OWNER'S INTEREST TO THAT OF NONDEFAULTING BENEFICIAL
18 OWNERS;

19 (II) A FORCED SALE OF THE BENEFICIAL OWNER'S INTEREST;

20 (III) A FORFEITURE OF THE BENEFICIAL OWNER'S INTEREST;

21 (IV) A LENDING BY OTHER BENEFICIAL OWNERS OF THE AMOUNT
22 NECESSARY TO MEET THE DEFAULTING BENEFICIAL OWNER'S COMMITMENT;

23 (V) A FIXING OF THE VALUE OF THE DEFAULTING BENEFICIAL
24 OWNER'S INTEREST BY APPRAISAL OR BY FORMULA, AND A REDEMPTION OR SALE OF
25 THE DEFAULTING BENEFICIAL OWNER'S INTEREST AT THAT VALUE; OR

26 (VI) ANY OTHER PENALTY OR CONSEQUENCE.

27 12-302.

28 (A) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
29 INSTRUMENT OF THE BUSINESS TRUST, THE BENEFICIAL OWNERS SHALL BE
30 ENTITLED TO THE SAME LIMITATION OF PERSONAL LIABILITY EXTENDED TO
31 SHAREHOLDERS OF A MARYLAND CORPORATION FORMED UNDER TITLE 2 OF THIS
32 ARTICLE.

33 (B) (1) NEITHER AN OBLIGATION OF A BENEFICIAL OWNER OR TRUSTEE OF
34 A BUSINESS TRUST TO THE BUSINESS TRUST ARISING UNDER THE GOVERNING
35 INSTRUMENT OR A SEPARATE AGREEMENT IN WRITING, OR A NOTE, INSTRUMENT,
36 OR OTHER WRITING EVIDENCING ANY SUCH OBLIGATION OF A BENEFICIAL OWNER
37 OR TRUSTEE, SHALL BE SUBJECT TO THE DEFENSE OF USURY.

1 (2) A BENEFICIAL OWNER OR TRUSTEE MAY NOT INTERPOSE THE
2 DEFENSE OF USURY WITH RESPECT TO ANY OBLIGATION IDENTIFIED IN PARAGRAPH
3 (1) OF THIS SUBSECTION IN ANY ACTION.

4 12-303.

5 (A) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
6 INSTRUMENT OF THE BUSINESS TRUST, A BENEFICIAL OWNER SHALL HAVE AN
7 UNDIVIDED BENEFICIAL INTEREST IN THE PROPERTY OF THE BUSINESS TRUST AND
8 SHALL SHARE IN THE PROFITS AND LOSSES OF THE BUSINESS TRUST IN THE
9 PROPORTION OF THE ENTIRE UNDIVIDED BENEFICIAL INTEREST IN THE BUSINESS
10 TRUST OWNED BY THE BENEFICIAL OWNER.

11 (B) (1) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
12 INSTRUMENT OF A BUSINESS TRUST, A BENEFICIAL OWNER HAS NO INTEREST IN
13 SPECIFIC BUSINESS TRUST PROPERTY.

14 (2) A CREDITOR OF THE BENEFICIAL OWNER HAS NO RIGHT TO OBTAIN
15 POSSESSION OF, OR OTHERWISE EXERCISE LEGAL OR EQUITABLE REMEDIES WITH
16 RESPECT TO, THE PROPERTY OF THE BUSINESS TRUST.

17 (C) A BENEFICIAL OWNER'S BENEFICIAL INTEREST IN THE BUSINESS TRUST
18 IS PERSONAL PROPERTY NOTWITHSTANDING THE NATURE OF THE PROPERTY OF
19 THE TRUST.

20 (D) A BENEFICIAL OWNER'S BENEFICIAL INTEREST IN THE BUSINESS TRUST
21 IS FREELY TRANSFERABLE EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE
22 GOVERNING INSTRUMENT OF THE BUSINESS TRUST.

23 (E) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
24 INSTRUMENT OF A BUSINESS TRUST, AT THE TIME A BENEFICIAL OWNER BECOMES
25 ENTITLED TO RECEIVE A DISTRIBUTION, THE BENEFICIAL OWNER HAS THE STATUS
26 OF, AND IS ENTITLED TO ALL REMEDIES AVAILABLE TO, A CREDITOR OF THE
27 BUSINESS TRUST WITH RESPECT TO THE DISTRIBUTION. A GOVERNING INSTRUMENT
28 MAY PROVIDE FOR THE ESTABLISHMENT OF RECORD DATES WITH RESPECT TO
29 ALLOCATIONS AND DISTRIBUTIONS BY A BUSINESS TRUST.

30 12-304.

31 (A) SUBJECT TO THE STANDARDS AND RESTRICTIONS, IF ANY, SET FORTH IN
32 THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, A BUSINESS TRUST SHALL
33 HAVE THE POWER TO INDEMNIFY AND HOLD HARMLESS ANY BENEFICIAL OWNER
34 FROM AND AGAINST ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER.

35 (B) THE ABSENCE OF A PROVISION FOR INDEMNITY IN THE GOVERNING
36 INSTRUMENT OF A BUSINESS TRUST MAY NOT BE CONSTRUED TO DEPRIVE A
37 BENEFICIAL OWNER OF ANY RIGHT TO INDEMNITY THAT IS OTHERWISE AVAILABLE
38 TO THE BENEFICIAL OWNER UNDER THE LAWS OF THE STATE.

1 12-305.

2 (A) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
3 INSTRUMENT OF A BUSINESS TRUST, EACH BENEFICIAL OWNER OF A BUSINESS
4 TRUST HAS THE RIGHT, SUBJECT TO SUCH REASONABLE STANDARDS, INCLUDING
5 STANDARDS GOVERNING WHAT INFORMATION AND DOCUMENTS ARE TO BE
6 FURNISHED AT WHAT TIME AND LOCATION AND AT WHOSE EXPENSE, AS MAY BE
7 ESTABLISHED BY THE TRUSTEES, TO OBTAIN FROM THE BUSINESS TRUST FROM
8 TIME TO TIME ON REASONABLE DEMAND FOR ANY PURPOSE REASONABLY RELATED
9 TO THE BENEFICIAL OWNER'S INTEREST AS A BENEFICIAL OWNER OF THE BUSINESS
10 TRUST:

11 (1) A COPY OF THE GOVERNING INSTRUMENT AND CERTIFICATE OF
12 TRUST AND ALL AMENDMENTS, TOGETHER WITH COPIES OF ANY WRITTEN POWERS
13 OF ATTORNEY UNDER WHICH THE GOVERNING INSTRUMENT AND ANY CERTIFICATE
14 AND ANY AMENDMENTS HAVE BEEN EXECUTED;

15 (2) A CURRENT LIST OF THE NAME AND LAST KNOWN BUSINESS OR
16 MAILING ADDRESS OF EACH BENEFICIAL OWNER AND TRUSTEE; AND

17 (3) INFORMATION REGARDING THE BUSINESS AND FINANCIAL
18 CONDITION OF THE BUSINESS TRUST.

19 (B) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
20 INSTRUMENT OF A BUSINESS TRUST, EACH TRUSTEE SHALL HAVE THE RIGHT TO
21 EXAMINE ALL THE INFORMATION DESCRIBED IN SUBSECTION (A) OF THIS SECTION
22 FOR ANY PURPOSE REASONABLY RELATED TO THE TRUSTEE'S POSITION AS A
23 TRUSTEE.

24 (C) EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
25 INSTRUMENT OF A BUSINESS TRUST, THE TRUSTEES OF A BUSINESS TRUST SHALL
26 HAVE THE RIGHT TO KEEP CONFIDENTIAL FROM THE BENEFICIAL OWNERS, FOR
27 SUCH PERIOD OF TIME AS THE TRUSTEES DEEM REASONABLE, ANY INFORMATION
28 THAT THE TRUSTEES REASONABLY BELIEVE TO BE IN THE NATURE OF TRADE
29 SECRETS OR OTHER INFORMATION, THE DISCLOSURE OF WHICH THE TRUSTEES IN
30 GOOD FAITH BELIEVE IS NOT IN THE BEST INTEREST OF THE BUSINESS TRUST OR
31 COULD DAMAGE THE BUSINESS TRUST OR ITS BUSINESS OR WHICH THE BUSINESS
32 TRUST IS REQUIRED BY LAW OR BY AGREEMENT WITH A THIRD PARTY TO KEEP
33 CONFIDENTIAL.

34 (D) A BUSINESS TRUST MAY MAINTAIN ITS RECORDS IN OTHER THAN A
35 WRITTEN FORM IF SUCH FORM IS CAPABLE OF CONVERSION INTO A WRITTEN FORM
36 WITHIN A REASONABLE TIME.

37 (E) ANY DEMAND BY A BENEFICIAL OWNER OR TRUSTEE UNDER THIS
38 SECTION SHALL BE IN WRITING AND SHALL STATE THE PURPOSE OF THE DEMAND.

1 SUBTITLE 4. TRUSTEES; POWERS; LIABILITIES.

2 12-401.

3 (A) EXCEPT TO THE EXTENT PROVIDED IN THE GOVERNING INSTRUMENT OF
4 THE BUSINESS TRUST, THE BUSINESS AND AFFAIRS OF THE BUSINESS TRUST SHALL
5 BE MANAGED UNDER THE DIRECTION OF ITS TRUSTEES.

6 (B) EXCEPT TO THE EXTENT PROVIDED IN THE GOVERNING INSTRUMENT OF
7 A BUSINESS TRUST, NEITHER THE POWER TO GIVE DIRECTION TO A TRUSTEE OR
8 OTHER PERSONS NOR THE EXERCISE BY ANY PERSON OF A DIRECTION, INCLUDING A
9 BENEFICIAL OWNER, SHALL CAUSE THAT PERSON TO HAVE DUTIES, INCLUDING
10 FIDUCIARY DUTIES, OR LIABILITIES RELATING TO THE BUSINESS TRUST OR TO A
11 BENEFICIAL OWNER.

12 12-402.

13 (A) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (B) AND (C) OF THIS
14 SECTION, AND EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING
15 INSTRUMENT OF A BUSINESS TRUST, A TRUSTEE, WHEN ACTING IN SUCH CAPACITY,
16 IS NOT PERSONALLY LIABLE TO ANY PERSON OTHER THAN THE BUSINESS TRUST OR
17 A BENEFICIAL OWNER FOR ANY ACT, OMISSION, OR OBLIGATION OF THE BUSINESS
18 TRUST OR ANY TRUSTEE.

19 (B) IN THE ABSENCE OF ANY PROVISION IN THE GOVERNING INSTRUMENT OF
20 THE BUSINESS TRUST, A TRUSTEE SHALL HAVE NO DUTY OR LIABILITY TO THE
21 BUSINESS TRUST OR A BENEFICIAL OWNER FOR ANY ACT GREATER THAN THAT OF
22 DIRECTORS OF A MARYLAND CORPORATION TO THE CORPORATION AS PROVIDED IN
23 TITLE 2, SUBTITLE 4 OF THIS ARTICLE.

24 (C) THE GOVERNING INSTRUMENT OF A BUSINESS TRUST MAY NOT INCLUDE
25 ANY PROVISION LIMITING THE LIABILITY OF ITS TRUSTEES AND OFFICERS TO THE
26 TRUST OR ITS BENEFICIAL OWNERS TO ANY EXTENT GREATER THAN THAT
27 PERMITTED BY TITLE 2, SUBTITLE 4 OF THIS ARTICLE IN CONNECTION WITH THE
28 LIABILITY OF DIRECTORS AND OFFICERS OF A MARYLAND CORPORATION.

29 12-403.

30 (A) SUBJECT TO THE STANDARDS AND RESTRICTIONS, IF ANY, SET FORTH IN
31 THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, A BUSINESS TRUST SHALL
32 HAVE THE POWER TO INDEMNIFY AND HOLD HARMLESS ANY TRUSTEE OR OTHER
33 PERSON FROM AND AGAINST ANY AND ALL CLAIMS AND DEMANDS.

34 (B) UNLESS OTHERWISE PROVIDED BY THE GOVERNING INSTRUMENT OF A
35 BUSINESS TRUST, A TRUSTEE SHALL BE INDEMNIFIED TO THE SAME EXTENT AS A
36 DIRECTOR OF A CORPORATION UNDER § 2-419 OF THIS ARTICLE.

SUBTITLE 5. LEGAL PROCEEDINGS.

1
2 12-501.

3 (A) A BUSINESS TRUST MAY SUE AND BE SUED, AND SERVICE OF PROCESS ON
4 ONE OF THE TRUSTEES SHALL BE SUFFICIENT TO CONSTITUTE SERVICE ON THE
5 BUSINESS TRUST.

6 (B) A BUSINESS TRUST MAY BE SUED FOR DEBTS AND OTHER OBLIGATIONS
7 OR LIABILITIES CONTRACTED OR INCURRED BY THE TRUSTEES, OR BY THE DULY
8 AUTHORIZED AGENTS OF SUCH TRUSTEES, IN THE PERFORMANCE OF THEIR
9 RESPECTIVE DUTIES UNDER THE GOVERNING INSTRUMENT OF THE BUSINESS
10 TRUST, AND FOR ANY DAMAGES TO PERSONS OR PROPERTY RESULTING FROM THE
11 NEGLIGENCE OF SUCH TRUSTEES OR AGENTS ACTING IN THE PERFORMANCE OF
12 SUCH RESPECTIVE DUTIES.

13 (C) THE PROPERTY OF A BUSINESS TRUST IS SUBJECT TO ATTACHMENT AND
14 EXECUTION AS IF THE BUSINESS TRUST WAS A CORPORATION.

15 (D) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, IN THE EVENT
16 THAT THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, INCLUDING A BUSINESS
17 TRUST WHICH IS A REGISTERED INVESTMENT COMPANY UNDER THE INVESTMENT
18 COMPANY ACT OF 1940, CREATES ONE OR MORE SERIES AS PROVIDED IN § 12-207(B)
19 OF THIS TITLE, AND IF SEPARATE AND DISTINCT RECORDS ARE MAINTAINED FOR
20 ANY SUCH SERIES AND THE ASSETS ASSOCIATED WITH ANY SUCH SERIES ARE HELD
21 AND ACCOUNTED FOR SEPARATELY FROM THE OTHER ASSETS OF THE BUSINESS
22 TRUST, OR ANY OTHER SERIES, AND IF THE GOVERNING INSTRUMENT SO PROVIDES,
23 AND NOTICE OF THE LIMITATION ON LIABILITIES OF A SERIES AS REFERENCED IN
24 THIS SUBSECTION IS SET FORTH IN THE CERTIFICATE OF TRUST OF THE BUSINESS
25 TRUST, THEN THE DEBTS, LIABILITIES, OBLIGATIONS, AND EXPENSES INCURRED,
26 CONTRACTED FOR, OR OTHERWISE EXISTING WITH RESPECT TO A PARTICULAR
27 SERIES SHALL BE ENFORCEABLE AGAINST THE ASSETS OF THAT SERIES ONLY, AND
28 NOT AGAINST THE ASSETS OF THE BUSINESS TRUST GENERALLY OR ANY OTHER
29 SERIES, AND, UNLESS OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT,
30 NONE OF THE DEBTS, LIABILITIES, OBLIGATIONS, AND EXPENSES INCURRED,
31 CONTRACTED FOR, OR OTHERWISE EXISTING WITH RESPECT TO THE BUSINESS
32 TRUST GENERALLY OR ANY OTHER SERIES SHALL BE ENFORCEABLE AGAINST THE
33 ASSETS OF THAT SERIES.

34 SUBTITLE 6. MERGER OR CONSOLIDATION.

35 12-601.

36 UNLESS THE GOVERNING INSTRUMENT PROVIDES OTHERWISE, A MARYLAND
37 BUSINESS TRUST MAY MERGE OR CONSOLIDATE WITH OR INTO ONE OR MORE
38 BUSINESS TRUSTS OR OTHER BUSINESS ENTITIES FORMED OR ORGANIZED OR
39 EXISTING UNDER THE LAWS OF MARYLAND OR ANY OTHER STATE OR THE UNITED
40 STATES OR ANY FOREIGN COUNTRY OR OTHER FOREIGN JURISDICTION.

1 12-602.

2 (A) UNLESS OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT OF A
3 BUSINESS TRUST, A MERGER OR CONSOLIDATION SHALL BE APPROVED BY EACH
4 BUSINESS TRUST WHICH IS TO MERGE OR CONSOLIDATE BY THE AFFIRMATIVE VOTE
5 OF TWO-THIRDS OF THE TRUSTEES AND TWO-THIRDS OF THE BENEFICIAL OWNERS
6 OF SUCH BUSINESS TRUST ENTITLED TO VOTE.

7 (B) A MERGER NEED BE APPROVED BY A BUSINESS TRUST SUCCESSOR ONLY
8 BY A MAJORITY OF ITS ENTIRE BOARD OF TRUSTEES IF:

9 (1) THE MERGER DOES NOT RECLASSIFY OR CHANGE ITS OUTSTANDING
10 SHARES OR OTHERWISE AMEND ITS GOVERNING INSTRUMENT; AND

11 (2) THE NUMBER OF SHARES TO BE ISSUED OR DELIVERED IN THE
12 MERGER IS NOT MORE THAN 20 PERCENT OF THE NUMBER OF ITS SHARES OF THE
13 SAME CLASS OR SERIES OUTSTANDING IMMEDIATELY BEFORE THE MERGER
14 BECOMES EFFECTIVE.

15 12-603.

16 IN CONNECTION WITH A MERGER OR CONSOLIDATION, RIGHTS OR SECURITIES
17 OF, OR INTERESTS IN, A BUSINESS TRUST OR OTHER BUSINESS ENTITY WHICH IS A
18 CONSTITUENT PARTY TO THE MERGER OR CONSOLIDATION MAY BE EXCHANGED
19 FOR OR CONVERTED INTO CASH, PROPERTY, RIGHTS, OR SECURITIES OF, OR
20 INTERESTS IN, THE SURVIVING OR RESULTING BUSINESS TRUST OR ANY OTHER,
21 WHETHER OR NOT A PARTY TO THE TRANSACTION. NOTWITHSTANDING PRIOR
22 APPROVAL, AN AGREEMENT OF MERGER OR CONSOLIDATION MAY BE TERMINATED
23 OR AMENDED UNDER A PROVISION FOR THE TERMINATION OR AMENDMENT
24 CONTAINED IN THE AGREEMENT OF MERGER OR CONSOLIDATION.

25 12-604.

26 ARTICLES OF MERGER OR CONSOLIDATION SHALL:

27 (1) BE EXECUTED FOR EACH PARTY TO THE ARTICLES IN THE MANNER
28 REQUIRED BY TITLE 1 OF THIS ARTICLE;

29 (2) BE FILED FOR THE RECORD WITH THE DEPARTMENT; AND

30 (3) INCLUDE THE PROVISIONS REQUIRED UNDER § 12-605 OF THIS
31 SUBTITLE.

32 12-605.

33 ARTICLES OF MERGER OR CONSOLIDATION SHALL STATE:

34 (1) THE NAME AND JURISDICTION OF FORMATION OR ORGANIZATION OF
35 EACH OF THE BUSINESS TRUSTS OR OTHER BUSINESS ENTITIES WHICH IS TO MERGE

1 OR CONSOLIDATE AND AS TO EACH FOREIGN ENTITY, THE DATE OF ITS FORMATION,
2 AND WHETHER IT IS REGISTERED OR QUALIFIED TO DO BUSINESS IN THE STATE;

3 (2) EACH COUNTY IN THE STATE WHERE EACH ENTITY PARTY TO THE
4 ARTICLES OF MERGER HAS ITS PRINCIPAL OFFICE AND ANY OF THE PARTIES OTHER
5 THAN THE SUCCESSOR OWNS AN INTEREST IN LAND;

6 (3) IF THE SURVIVING OR RESULTING ENTITY IS A FOREIGN BUSINESS
7 TRUST OR OTHER BUSINESS ENTITY, THE LOCATION OF ITS PRINCIPAL OFFICE IN
8 THE JURISDICTION IN WHICH IT IS ORGANIZED AND THE NAME AND ADDRESS OF ITS
9 RESIDENT AGENT IN THE STATE;

10 (4) THAT AN AGREEMENT OF MERGER OR CONSOLIDATION HAS BEEN
11 APPROVED AND EXECUTED BY EACH OF THE BUSINESS TRUSTS OR OTHER BUSINESS
12 ENTITIES WHICH IS TO MERGE OR CONSOLIDATE IN THIS MANNER REQUIRED BY ITS
13 GOVERNING INSTRUMENT OR CHARTER AND BY THE LAWS OF THE PLACE WHERE IT
14 IS ORGANIZED;

15 (5) THE NAME OF THE SURVIVING OR RESULTING BUSINESS TRUST OR
16 OTHER BUSINESS ENTITY;

17 (6) ANY AMENDMENT TO THE CHARTER, CERTIFICATE OF LIMITED
18 PARTNERSHIP, ARTICLES OF ORGANIZATION OF A LIMITED LIABILITY COMPANY, OR
19 GOVERNING INSTRUMENT OF THE SUCCESSOR TO BE EFFECTED AS PART OF THE
20 MERGER OR CONSOLIDATION;

21 (7) AS TO EACH CORPORATION PARTY TO THE ARTICLES:

22 (I) THE TOTAL NUMBER OF SHARES OF STOCK OF ALL CLASSES
23 WHICH THE CORPORATION HAS AUTHORITY TO ISSUE;

24 (II) THE NUMBER OF SHARES OF STOCK OF EACH CLASS;

25 (III) THE PAR VALUE OF THE SHARES OF STOCK OF EACH CLASS OR
26 A STATEMENT THAT THE SHARES ARE WITHOUT PAR VALUE; AND

27 (IV) IF THERE ARE ANY SHARES OF STOCK WITH PAR VALUE, THE
28 AGGREGATE PAR VALUE OF ALL THE SHARES OF ALL CLASSES;

29 (8) AS TO EACH BUSINESS TRUST PARTY TO THE ARTICLES:

30 (I) THE TOTAL NUMBER OF SHARES OF BENEFICIAL INTEREST OF
31 ALL CLASSES WHICH THE BUSINESS TRUST HAS AUTHORITY TO ISSUE; AND

32 (II) THE NUMBER OF SHARES OF BENEFICIAL INTEREST OF EACH
33 CLASS;

34 (9) AS TO EACH LIMITED PARTNERSHIP PARTY TO THE ARTICLES:

35 (I) THE PERCENTAGES OF PARTNERSHIP INTERESTS OF EACH
36 CLASS OF PARTNERSHIP INTERESTS OF THE LIMITED PARTNERSHIP; AND

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

3 (10) AS TO EACH LIMITED LIABILITY COMPANY PARTY TO THE ARTICLES:

4 (I) THE PERCENTAGES OF MEMBERSHIP INTERESTS OF EACH
5 CLASS OF MEMBERSHIP INTERESTS OF THE LIMITED LIABILITY COMPANY; AND

6 (II) THE CLASS OF MEMBERS AND THE RESPECTIVE PERCENTAGE
7 OF MEMBERSHIP INTERESTS IN EACH CLASS OF MEMBERSHIP INTERESTS;

8 (11) IF THE CHARTER, CERTIFICATE OF LIMITED PARTNERSHIP,
9 ARTICLES OF ORGANIZATION OF A LIMITED LIABILITY COMPANY, OR GOVERNING
10 INSTRUMENT OF THE SUCCESSOR IS AMENDED IN A MANNER THAT CHANGES ANY
11 OF THE INFORMATION REQUIRED UNDER ITEMS (2) THROUGH (5) OF THIS SECTION,
12 THAT INFORMATION AS IT WAS BOTH IMMEDIATELY BEFORE AND AS CHANGED BY
13 THE MERGER;

14 (12) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ISSUED
15 STOCK OF THE MERGING CORPORATIONS, OUTSTANDING PARTNERSHIP INTERESTS
16 OF THE MERGING LIMITED PARTNERSHIP, OR SHARES OF BENEFICIAL INTERESTS OF
17 THE MERGING BUSINESS TRUSTS INTO DIFFERENT STOCK OF A CORPORATION,
18 PARTNERSHIP INTERESTS OF A LIMITED PARTNERSHIP, OUTSTANDING MEMBERSHIP
19 INTEREST OF A LIMITED LIABILITY COMPANY, SHARES OF BENEFICIAL INTERESTS
20 OF A BUSINESS TRUST, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY
21 ISSUED STOCK OF THE MERGING CORPORATIONS, PARTNERSHIP INTEREST OF THE
22 MERGING LIMITED PARTNERSHIPS, MEMBERSHIP INTEREST OF THE MERGING
23 LIMITED LIABILITY COMPANY, OR SHARES OF BENEFICIAL INTEREST OF THE
24 MERGING BUSINESS TRUSTS NOT TO BE CONVERTED OR EXCHANGED;

25 (13) THE FUTURE EFFECTIVE DATE OR TIME, WHICH SHALL BE A DATE
26 OR TIME CERTAIN, OF THE MERGER OR CONSOLIDATION IF IT IS NOT TO BE
27 EFFECTIVE ON THE FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION;

28 (14) THAT THE EXECUTED AGREEMENT OF MERGER OR CONSOLIDATION
29 IS ON FILE AT THE PRINCIPAL PLACE OF BUSINESS OF THE SURVIVING OR
30 RESULTING BUSINESS TRUST OR OTHER BUSINESS ENTITY, AND SHALL STATE THE
31 ADDRESS OF THAT PRINCIPAL PLACE OF BUSINESS; AND

32 (15) THAT A COPY OF THE AGREEMENT OF MERGER OR CONSOLIDATION
33 WILL BE FURNISHED BY THE SURVIVING OR RESULTING BUSINESS TRUST OR OTHER
34 BUSINESS ENTITY, ON REQUEST AND WITHOUT COST, TO ANY BENEFICIAL OWNER
35 OF ANY BUSINESS TRUST OR ANY PERSON HOLDING AN INTEREST IN ANY OTHER
36 BUSINESS ENTITY WHICH IS TO MERGE OR CONSOLIDATE.

37 12-606.

38 UNLESS A FUTURE EFFECTIVE DATE OR TIME IS PROVIDED IN ARTICLES OF
39 MERGER OR CONSOLIDATION, IN WHICH EVENT A MERGER OR CONSOLIDATION
40 SHALL BE EFFECTIVE AT ANY SUCH FUTURE EFFECTIVE DATE OR TIME, A MERGER

1 OR CONSOLIDATION SHALL BE EFFECTIVE ON THE FILING WITH THE DEPARTMENT
2 OF ARTICLES OF MERGER OR CONSOLIDATION.

3 12-607.

4 (A) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE
5 GOVERNING INSTRUMENT OF A BUSINESS TRUST, A GOVERNING INSTRUMENT OF A
6 BUSINESS TRUST CONTAINING A SPECIFIC REFERENCE TO THIS SECTION MAY
7 PROVIDE THAT AN AGREEMENT OF MERGER OR CONSOLIDATION APPROVED IN
8 ACCORDANCE WITH THIS SUBTITLE MAY:

9 (1) EFFECT ANY AMENDMENT TO THE GOVERNING INSTRUMENT OF
10 THE BUSINESS TRUST; OR

11 (2) EFFECT THE ADOPTION OF A NEW GOVERNING INSTRUMENT OF THE
12 BUSINESS TRUST IF IT IS THE SURVIVING OR RESULTING BUSINESS TRUST IN THE
13 MERGER OR CONSOLIDATION.

14 (B) (1) ANY AMENDMENT TO THE GOVERNING INSTRUMENT OF A BUSINESS
15 TRUST OR ADOPTION OF A NEW GOVERNING INSTRUMENT OF THE BUSINESS TRUST
16 MADE UNDER THIS SECTION SHALL BE EFFECTIVE AT THE EFFECTIVE TIME OR DATE
17 OF THE MERGER OR CONSOLIDATION.

18 (2) THE PROVISIONS OF THIS SUBSECTION MAY NOT BE CONSTRUED TO
19 LIMIT THE ACCOMPLISHMENT OF A MERGER OR CONSOLIDATION OR OF ANY OF THE
20 MATTERS REFERRED TO HEREIN BY ANY OTHER MEANS PROVIDED FOR IN THE
21 GOVERNING INSTRUMENT OF A BUSINESS TRUST OR OTHER AGREEMENT OR AS
22 OTHERWISE PERMITTED BY LAW, INCLUDING THAT THE GOVERNING INSTRUMENT
23 OF ANY CONSTITUENT BUSINESS TRUST TO THE MERGER OR CONSOLIDATION SHALL
24 BE THE GOVERNING INSTRUMENT OF THE SURVIVING OR RESULTING TRUST.

25 12-608.

26 (A) THE DEPARTMENT SHALL PREPARE CERTIFICATES OF MERGER THAT
27 SPECIFY:

28 (1) THE NAME OF EACH PARTY TO THE ARTICLES;

29 (2) THE NAME OF THE SUCCESSOR AND THE LOCATION OF ITS
30 PRINCIPAL OFFICE IN THE STATE OR, IF IT HAS NONE, ITS PRINCIPAL PLACE OF
31 BUSINESS; AND

32 (3) THE TIME THE ARTICLES ARE ACCEPTED FOR RECORD BY THE
33 DEPARTMENT.

34 (B) IN ADDITION TO ANY OTHER PROVISION OF LAW WITH RESPECT TO
35 RECORDING, THE DEPARTMENT SHALL SEND ONE CERTIFICATE EACH TO THE CLERK
36 OF THE CIRCUIT COURT FOR EACH COUNTY WHERE THE ARTICLES SHOW THAT A
37 MERGING BUSINESS TRUST, CORPORATION, PARTNERSHIP, LIMITED PARTNERSHIP,

1 OR LIMITED LIABILITY COMPANY OTHER THAN THE SUCCESSOR OWNS AN INTEREST
2 IN LAND.

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

5 12-609.

6 (A) IN ORDER TO KEEP THE LAND ASSESSMENT RECORDS CURRENT IN EACH
7 COUNTY, THE DEPARTMENT SHALL REQUIRE A BUSINESS TRUST, CORPORATION,
8 PARTNERSHIP, LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY TO SUBMIT
9 WITH THE ARTICLES A PROPERTY CERTIFICATE FOR EACH COUNTY WHERE A
10 MERGING BUSINESS TRUST, CORPORATION, PARTNERSHIP, LIMITED PARTNERSHIP,
11 OR LIMITED LIABILITY COMPANY OTHER THAN THE SUCCESSOR OWNS AN INTEREST
12 IN LAND.

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

17 (C) THE PROPERTY CERTIFICATE SHALL BE IN THE FORM AND NUMBER OF
18 COPIES WHICH THE DEPARTMENT REQUIRES AND MAY INCLUDE THE CERTIFICATE
19 OF THE DEPARTMENT REQUIRED BY SUBSECTION (A) OF THIS SECTION.

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

22 (2) THE DEPARTMENT SHALL INDICATE ON THE CERTIFICATE THE TIME
23 THE ARTICLES ARE ACCEPTED FOR RECORD AND SEND A COPY OF IT TO THE CHIEF
24 ASSESSOR OF THE COUNTY WHERE THE PROPERTY IS LOCATED.

25 (E) A TRANSFER, VESTING, OR DEVOLUTION OF TITLE TO THE PROPERTY IS
26 NOT INVALIDATED OR OTHERWISE AFFECTED BY ANY ERROR OR DEFECT IN THE
27 PROPERTY CERTIFICATE, FAILURE TO FILE IT, OR FAILURE BY THE DEPARTMENT TO
28 ACT ON IT.

29 12-610.

30 (A) CONSUMMATION OF A MERGER HAS THE EFFECTS PROVIDED IN THIS
31 SECTION.

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

35 (C) THE SHARES OF EACH BUSINESS TRUST PARTY TO THE ARTICLES WHICH
36 ARE TO BE CONVERTED OR EXCHANGED UNDER THE TERMS OF THE ARTICLES
37 CEASE TO EXIST, SUBJECT TO THE RIGHTS OF AN OBJECTING SHAREHOLDER UNDER
38 THIS SUBTITLE.

1 (D) IN ADDITION TO ANY OTHER PURPOSES AND POWERS SET FORTH IN THE
2 ARTICLES, IF THE ARTICLES PROVIDE, THE SUCCESSOR HAS THE PURPOSES AND
3 POWERS OF EACH PARTY TO THE ARTICLES.

4 (E) (1) THE ASSETS OF EACH PARTY TO THE ARTICLES, INCLUDING ANY
5 LEGACIES WHICH IT WOULD HAVE BEEN CAPABLE OF TAKING, TRANSFER TO, VEST
6 IN, AND DEVOLVE ON THE SUCCESSOR WITHOUT FURTHER ACT OR DEED.

7 (2) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS
8 TO EVIDENCE THE TRANSFER MAY BE EXECUTED AND DELIVERED AT ANY TIME IN
9 THE NAME OF THE TRANSFERRING PARTY TO THE ARTICLES BY ITS LAST ACTING
10 OFFICERS OR TRUSTEES OR BY THE APPROPRIATE OFFICERS OR TRUSTEES OF THE
11 SUCCESSOR.

12 (F) (1) THE SUCCESSOR IS LIABLE FOR ALL THE DEBTS AND OBLIGATIONS
13 OF EACH NONSURVIVING PARTY TO THE ARTICLES. AN EXISTING CLAIM, ACTION, OR
14 PROCEEDING PENDING BY OR AGAINST ANY NONSURVIVING PARTY TO THE
15 ARTICLES MAY BE PROSECUTED TO JUDGMENT AS IF THE MERGER HAD NOT TAKEN
16 PLACE, OR, ON MOTION OF THE SUCCESSOR OR ANY PARTY, THE SUCCESSOR MAY BE
17 SUBSTITUTED AS A PARTY AND THE JUDGMENT AGAINST THE NONSURVIVING PARTY
18 TO THE ARTICLES CONSTITUTES A LIEN ON THE PROPERTY OF THE SUCCESSOR.

19 (2) A MERGER DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY
20 LIENS ON THE PROPERTY OF ANY BUSINESS TRUST, CORPORATION, PARTNERSHIP,
21 LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY PARTY TO THE ARTICLES.

22 SUBTITLE 7. FEES.

23 12-701.

24 (A) THE FOLLOWING FEES SHALL BE PAID TO AND COLLECTED BY THE
25 DEPARTMENT FOR THE USE OF THE STATE:

26 (1) ON RECEIPT FOR FILING AN APPLICATION FOR RESERVATION OF
27 NAME, AN APPLICATION FOR RENEWAL OF RESERVATION, OR NOTICE OF TRANSFER
28 OF RESERVATION UNDER § 12-205 OF THIS TITLE A FEE IN THE AMOUNT OF \$16;

29 (2) ON RECEIPT FOR FILING A CERTIFICATE OF TRUST, A CERTIFICATE
30 OF AMENDMENT, A CERTIFICATE OF MERGER OR CONSOLIDATION, A FEE IN THE
31 AMOUNT OF \$50;

32 (3) FOR CERTIFYING COPIES OF ANY PAPER ON FILE AS PROVIDED FOR
33 BY THIS TITLE, A FEE IN THE AMOUNT OF \$6 FOR EACH COPY CERTIFIED; AND

34 (4) FOR ISSUING FURTHER COPIES OF INSTRUMENTS ON FILE,
35 WHETHER OR NOT CERTIFIED, A FEE IN THE AMOUNT OF \$1 PER PAGE.

36 (B) EXCEPT AS PROVIDED IN SUBSECTION (A) OF THIS SECTION, ALL OTHER
37 FEES FOR THE DEPARTMENT SHALL BE AS PROVIDED FOR IN § 1-203 OF THIS
38 ARTICLE.

1 (C) IN ADDITION TO THOSE FEES CHARGED UNDER SUBSECTION (A) OF THIS
2 SECTION, THERE SHALL BE COLLECTED BY AND PAID TO THE DEPARTMENT FOR ALL
3 SERVICES DESCRIBED IN SUBSECTION (A) OF THIS SECTION THAT ARE REQUESTED
4 TO BE COMPLETED WITHIN THE SAME DAY AS THE DAY OF THE REQUEST, AN
5 ADDITIONAL SUM OF UP TO \$50.

6 12-702.

7 THE DEPARTMENT SHALL ESTABLISH, AND MAY FROM TIME TO TIME ALTER OR
8 AMEND, A SCHEDULE OF SPECIFIC FEES PAYABLE UNDER THIS SUBTITLE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of the act
10 or the application thereof to any person or circumstance is held invalid for any reason
11 in a court of competent jurisdiction, the invalidity does not affect other provisions or
12 any other application of this Act which can be given effect without the invalid
13 provision or application, and for this purpose the provisions of this Act are declared
14 severable.

15 SECTION 3. AND BE IT FURTHER ENACTED, That:

16 (a) The provisions of this Act have no effect on the validity, powers,
17 rights, or liabilities of common law business trusts created before or after October 1,
18 1999, or the trustees or beneficiaries of common law business trusts created before or
19 after October 1, 1999.

20 (b) (1) Subject to the provisions of paragraph (2) of this subsection,
21 common law business trusts created before or after October 1, 1999 may elect, on the
22 filing of a certificate of trust, to be governed by the provisions of this Act.

23 (2) A common law business trust created before October 1, 1999
24 may not be governed by the provisions of this Act to the extent of any inconsistent
25 provisions contained in its governing instrument and not subsequently modified by
26 amendment.

27 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1999.