

# SENATE BILL 790

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By: **Senator Raskin**

Introduced and read first time: February 4, 2011

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Limited Liability Company Act**

3 FOR the purpose of establishing the policy of certain provisions of law relating to  
4 limited liability companies; providing that a certain provision of law that may  
5 be changed by the terms of an operating agreement may also be changed by the  
6 terms of the articles of organization of a limited liability company; providing  
7 that a certain certificate representing the interest of a member of a limited  
8 liability company may only be issued in bearer form under certain  
9 circumstances; authorizing an operating agreement to require that an  
10 amendment to the agreement be approved by a certain person or on satisfaction  
11 of certain conditions; authorizing an operating agreement to establish the rights  
12 of certain persons; providing that, if an operating agreement provides the  
13 manner in which the agreement may be amended, then the agreement may be  
14 amended only in that manner; providing that a certain approval or condition for  
15 amending an operating agreement may be waived in certain circumstances;  
16 establishing that an amendment to an operating agreement is not required to be  
17 in writing, with certain exceptions; clarifying that an operating agreement is  
18 not unenforceable on the ground that there is only one party to the agreement;  
19 establishing that a limited liability company is not required to execute its  
20 operating agreement and is bound by the operating agreement regardless of  
21 whether the company has executed the agreement; establishing that each  
22 member and assignee of a member is bound by the operating agreement of a  
23 limited liability company regardless of whether the member or assignee  
24 executed the operating agreement; authorizing an operating agreement to  
25 provide that an action that otherwise requires unanimous consent may be taken  
26 without the consent of a member or members of the limited liability company;  
27 providing that an operating agreement may require the consent of certain  
28 persons who are not members of the limited liability company to take an action  
29 requiring unanimous consent of the members; authorizing an operating  
30 agreement to expand, restrict, or eliminate certain duties; providing that,  
31 unless otherwise provided in an operating agreement, certain persons are not

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 liable for breach of fiduciary duty for good faith reliance on the operating  
2 agreement; authorizing an operating agreement to provide for the limitation or  
3 elimination of certain liabilities; providing that a person may become a member  
4 of a limited liability company in accordance with a provision of law that  
5 authorizes the personal representative, successor, or assignee of the last  
6 remaining member to admit the person as a member of the limited liability  
7 company; clarifying that the admission of an assignee as a member of a limited  
8 liability company is governed by certain provisions of law relating to  
9 assignments; providing that the admission of a certain personal representative  
10 or successor is governed by a certain provision of law; providing that, unless  
11 otherwise provided in the operating agreement, an assignment of the interest of  
12 a person in a limited liability company entitles the assignee only to the  
13 assignor's share of profits, losses, and distributions; providing that, unless  
14 otherwise provided in the operating agreement, a member of a limited liability  
15 company ceases to be a member on assignment of all of the member's interest;  
16 providing that, unless otherwise provided in the operating agreement, a certain  
17 encumbrance in or against the interest of a member of a limited liability  
18 company does not cause the member to cease being a member or to have the  
19 power to exercise certain rights; altering the circumstances under which an  
20 assignee may become a member of a limited liability company; authorizing a  
21 certain creditor of a certain debtor holding an interest in a limited liability  
22 company to apply to a court for a certain order; authorizing a court to take  
23 certain actions on the application of a certain creditor in certain circumstances;  
24 authorizing, before a certain foreclosure, a certain interest to be redeemed with  
25 certain property; providing that this Act does not deprive a debtor of a certain  
26 right; providing that this Act provides the exclusive remedy by which a certain  
27 person may attach the interest or otherwise affect the rights of a member of a  
28 limited liability company; altering the circumstances under which a limited  
29 liability company may not be dissolved or required to wind up its affairs after  
30 the occurrence of certain conditions; making certain technical, stylistic, and  
31 clarifying changes; defining certain terms; and generally relating to limited  
32 liability companies.

33 BY repealing and reenacting, without amendments,  
34 Article – Corporations and Associations  
35 Section 4A-101(a)  
36 Annotated Code of Maryland  
37 (2007 Replacement Volume and 2010 Supplement)

38 BY repealing and reenacting, with amendments,  
39 Article – Corporations and Associations  
40 Section 4A-101(g), 4A-402, 4A-404, 4A-601, 4A-603, 4A-604, and 4A-902  
41 Annotated Code of Maryland  
42 (2007 Replacement Volume and 2010 Supplement)

43 BY adding to  
44 Article – Corporations and Associations  
45 Section 4A-102, 4A-402.1, and 4A-607

1 Annotated Code of Maryland  
2 (2007 Replacement Volume and 2010 Supplement)

3 BY repealing  
4 Article – Corporations and Associations  
5 Section 4A–607  
6 Annotated Code of Maryland  
7 (2007 Replacement Volume and 2010 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Corporations and Associations**

11 4A–101.

12 (a) In this title the following terms have the meanings indicated.

13 (g) “Corporation” means a Maryland corporation or a foreign corporation [as  
14 defined in § 1–101 of this article].

15 **4A–102.**

16 (A) **UNLESS OTHERWISE PROVIDED, THE POLICY OF THIS TITLE IS TO**  
17 **GIVE THE MAXIMUM EFFECT TO THE PRINCIPLES OF FREEDOM OF CONTRACT**  
18 **AND TO THE ENFORCEABILITY OF OPERATING AGREEMENTS.**

19 (B) **A PROVISION OF THIS TITLE THAT MAY BE CHANGED BY THE TERMS**  
20 **OF AN OPERATING AGREEMENT ALSO MAY BE CHANGED BY THE TERMS OF THE**  
21 **ARTICLES OF ORGANIZATION.**

22 4A–402.

23 (a) Except for the requirement set forth in § 4A–404 of this subtitle that  
24 certain consents be in writing, members may enter into an operating agreement to  
25 regulate or establish any aspect of the affairs of the limited liability company or the  
26 relations of its members, including provisions establishing:

27 (1) The manner in which the business and affairs of the limited  
28 liability company shall be managed, controlled, and operated, which may include the  
29 granting of exclusive authority to manage, control, and operate the limited liability  
30 company to persons who are not members;

31 (2) The manner in which the members will share the assets and  
32 earnings of the limited liability company;

1           (3) The rights of the members to assign all or a portion of their  
2 interests in the limited liability company;

3           (4) The circumstances in which any assignee of a member's interest  
4 may be admitted as a member of the limited liability company;

5           (5) (i) The right to have and a procedure for having a member's  
6 interest in the limited liability company evidenced by a certificate issued by the  
7 limited liability company, **WHICH MAY BE ISSUED ONLY IN BEARER FORM IF**  
8 **SPECIFICALLY ALLOWED BY THE OPERATING AGREEMENT;**

9                       (ii) The procedure for assignment, pledge, or transfer of any  
10 interest represented by the certificate; and

11                      (iii) Any other provisions dealing with the certificate; **[and]**

12           (6) The method by which the operating agreement may from time to  
13 time be amended, **WHICH MAY INCLUDE A REQUIREMENT THAT AN AMENDMENT**  
14 **BE APPROVED:**

15                      **(I) BY A PERSON WHO IS NOT A PARTY TO THE OPERATING**  
16 **AGREEMENT OR WHO IS NOT A MEMBER OF THE LIMITED LIABILITY COMPANY;**  
17 **OR**

18                      **(II) ON THE SATISFACTION OF OTHER CONDITIONS**  
19 **SPECIFIED IN THE OPERATING AGREEMENT; AND**

20           **(7) THE RIGHTS OF ANY PERSON, INCLUDING A PERSON WHO IS**  
21 **NOT A PARTY TO THE OPERATING AGREEMENT OR WHO IS NOT A MEMBER OF**  
22 **THE LIMITED LIABILITY COMPANY, TO THE EXTENT SET FORTH IN THE**  
23 **OPERATING AGREEMENT.**

24           (b) (1) **[(i)]** The initial operating agreement shall be agreed to by all  
25 persons who are then members.

26                      **[(ii)] (2)** Unless the articles of organization specifically require  
27 otherwise, the operating agreement need not be in writing.

28                      **[(2)] (C) (1)** If the operating agreement does not provide for the  
29 method by which the operating agreement may be amended, then all of the members  
30 must agree to any amendment of the operating agreement.

31                      **(2) TO THE EXTENT THAT AN OPERATING AGREEMENT PROVIDES**  
32 **FOR THE MANNER IN WHICH THE OPERATING AGREEMENT MAY BE AMENDED,**  
33 **THE OPERATING AGREEMENT MAY BE AMENDED ONLY IN THAT MANNER,**  
34 **PROVIDED THAT THE APPROVAL OF A PERSON MAY BE WAIVED BY THE PERSON**

1 AND THAT CONDITIONS MAY BE WAIVED BY A PERSON FOR WHOSE BENEFIT THE  
2 CONDITIONS WERE INTENDED.

3 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
4 PARAGRAPH, OR UNLESS THE OPERATING AGREEMENT SPECIFICALLY  
5 REQUIRES OTHERWISE, AN AMENDMENT TO AN OPERATING AGREEMENT IS NOT  
6 REQUIRED TO BE IN WRITING.

7 (II) An amendment to an operating agreement must be  
8 evidenced by a writing signed by an authorized person OF THE LIMITED LIABILITY  
9 COMPANY if:

10 [(i)] 1. The amendment was adopted without the unanimous  
11 consent of THE members; or

12 [(ii)] 2. An interest in the limited liability company has been  
13 assigned to a person who has not been admitted as a member.

14 (4) A copy of any written amendment to the operating agreement shall  
15 be delivered to each member who did not consent to the amendment and to each  
16 assignee who has not been admitted as a member.

17 [(c)] (D) (1) A court may enforce an operating agreement by injunction or  
18 by granting such other relief which the court in its discretion determines to be fair and  
19 appropriate in the circumstances.

20 (2) As an alternative to injunctive or other equitable relief, when the  
21 provisions of § 4A-903 of this title are applicable, the court may order dissolution of  
22 the limited liability company.

23 (3) AN OPERATING AGREEMENT OF A LIMITED LIABILITY  
24 COMPANY WITH ONE MEMBER IS NOT UNENFORCEABLE ON THE GROUNDS THAT  
25 THERE IS ONLY ONE PERSON WHO IS PARTY TO THE OPERATING AGREEMENT.

26 (4) A LIMITED LIABILITY COMPANY:

27 (I) IS NOT REQUIRED TO EXECUTE ITS OPERATING  
28 AGREEMENT; AND

29 (II) IS BOUND BY ITS OPERATING AGREEMENT,  
30 REGARDLESS OF WHETHER THE LIMITED LIABILITY COMPANY HAS EXECUTED  
31 THE OPERATING AGREEMENT.

32 (5) AN OPERATING AGREEMENT THAT IS DULY ADOPTED OR  
33 AMENDED IS BINDING ON EACH PERSON WHO IS OR BECOMES A MEMBER OF THE

1 LIMITED LIABILITY COMPANY AND EACH PERSON WHO IS OR BECOMES AN  
2 ASSIGNEE OF A MEMBER OF THE LIMITED LIABILITY COMPANY, REGARDLESS OF  
3 WHETHER THE PERSON HAS EXECUTED THE OPERATING AGREEMENT OR  
4 AMENDMENT.

5 4A-402.1.

6 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
7 SUBSECTION, TO THE EXTENT THAT, AT LAW OR IN EQUITY, A MEMBER OR  
8 ANOTHER PERSON HAS DUTIES, INCLUDING FIDUCIARY DUTIES, TO A LIMITED  
9 LIABILITY COMPANY, ANOTHER MEMBER, OR ANOTHER PERSON THAT IS A  
10 PARTY TO OR IS OTHERWISE BOUND BY AN OPERATING AGREEMENT, THE  
11 MEMBER'S OR OTHER PERSON'S DUTIES MAY BE EXPANDED, RESTRICTED, OR  
12 ELIMINATED BY PROVISIONS IN THE OPERATING AGREEMENT.

13 (2) AN OPERATING AGREEMENT MAY NOT ELIMINATE THE  
14 IMPLIED CONTRACTUAL COVENANT OF GOOD FAITH AND FAIR DEALING.

15 (B) UNLESS OTHERWISE PROVIDED IN AN OPERATING AGREEMENT, A  
16 MEMBER OR ANOTHER PERSON IS NOT LIABLE TO A LIMITED LIABILITY  
17 COMPANY, ANOTHER MEMBER, OR ANOTHER PERSON THAT IS A PARTY TO OR IS  
18 OTHERWISE BOUND BY AN OPERATING AGREEMENT FOR BREACH OF FIDUCIARY  
19 DUTY FOR THE MEMBER'S OR OTHER PERSON'S GOOD FAITH RELIANCE ON THE  
20 PROVISIONS OF THE OPERATING AGREEMENT.

21 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
22 SUBSECTION, AN OPERATING AGREEMENT MAY PROVIDE FOR THE LIMITATION  
23 OR ELIMINATION OF ANY AND ALL LIABILITIES FOR BREACH OF CONTRACT AND  
24 BREACH OF DUTIES, INCLUDING FIDUCIARY DUTIES, OF A MEMBER OR ANOTHER  
25 PERSON TO A LIMITED LIABILITY COMPANY, ANOTHER MEMBER, OR ANOTHER  
26 PERSON THAT IS A PARTY TO OR IS OTHERWISE BOUND BY AN OPERATING  
27 AGREEMENT.

28 (2) AN OPERATING AGREEMENT MAY NOT LIMIT OR ELIMINATE  
29 LIABILITY FOR ANY ACT OR OMISSION THAT CONSTITUTES A BAD FAITH  
30 VIOLATION OF THE IMPLIED CONTRACTUAL COVENANT OF GOOD FAITH AND  
31 FAIR DEALING.

32 4A-404.

33 Wherever this title requires the unanimous consent of THE members to allow  
34 the limited liability company to act:

35 (1) The consent shall be in writing; and

1 (2) The operating agreement may provide that [the]:

2 (I) 1. THE action may be taken on consent of less than all of  
3 the members [or that the];

4 2. THE consent of certain members or classes of  
5 members is not required to take the action; OR

6 3. NO CONSENT OF A MEMBER OR MEMBERS IS  
7 REQUIRED TO TAKE THE ACTION; AND

8 (II) THE ACTION MAY BE TAKEN ONLY WITH THE CONSENT  
9 OF ONE OR MORE PERSONS WHO IS OR ARE NOT A MEMBER OR MEMBERS OF  
10 THE LIMITED LIABILITY COMPANY, IN WHICH CASE THE CONSENT OF THAT  
11 PERSON OR THOSE PERSONS SHALL BE REQUIRED IN ORDER FOR THE LIMITED  
12 LIABILITY COMPANY TO TAKE THE ACTION.

13 4A-601.

14 (a) A person becomes a member of a limited liability company AT:

15 (1) [At the] THE time the limited liability company is formed; [or]

16 (2) [At any] A later time specified in the operating agreement; OR

17 (3) THE TIME SPECIFIED IN § 4A-902(B)(1) OF THIS TITLE.

18 (b) After the formation of a limited liability company, a person may be  
19 admitted as a member:

20 (1) In the case of a person acquiring a membership interest directly  
21 from the limited liability company, upon compliance with the operating agreement or,  
22 if the operating agreement does not so provide, upon the unanimous consent of the  
23 members; [or]

24 (2) In the case of an assignee of an interest of a member [who has the  
25 power], ONLY as provided in § 4A-604 of this subtitle [to grant the assignee the right  
26 to become a member, upon the exercise of that power and compliance with any  
27 conditions limiting the grant or exercise of that power]; OR

28 (3) IN THE CASE OF A PERSONAL REPRESENTATIVE OR  
29 SUCCESSOR TO THE LAST REMAINING MEMBER WHO IS NOT AN ASSIGNEE OF  
30 THE LAST REMAINING MEMBER, AS PROVIDED IN § 4A-902(B)(1) OF THIS TITLE.

1 (c) Unless otherwise provided in the articles of organization or the operating  
2 agreement of a limited liability company, a person may be admitted as a member of a  
3 limited liability company and may be the sole member of a limited liability company  
4 without:

5 (1) Making a contribution to the limited liability company;

6 (2) Being obligated to make a contribution to the limited liability  
7 company; or

8 (3) Acquiring an interest in the limited liability company.

9 4A-603.

10 (a) Unless otherwise provided in the operating agreement, an interest in a  
11 limited liability company is assignable in whole or in part.

12 (b) An assignment of an interest in a limited liability company does not:

13 (1) Dissolve the limited liability company; or

14 (2) Unless the operating agreement provides otherwise, entitle the  
15 assignee to:

16 (i) Become a member; or

17 (ii) Exercise any rights of a member.

18 (c) Unless otherwise provided in the operating agreement, an assignment  
19 entitles the assignee to receive, to the extent assigned, only the **ASSIGNOR'S SHARE**  
20 **OF PROFITS, LOSSES, AND** distributions [to which the assignor would be entitled].

21 **(D) UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT, IF**  
22 **AN ASSIGNEE OF AN INTEREST IN A LIMITED LIABILITY COMPANY BECOMES A**  
23 **MEMBER OF THE LIMITED LIABILITY COMPANY, THE ASSIGNOR IS NOT**  
24 **RELEASED FROM THE ASSIGNOR'S LIABILITY UNDER § 4A-502 OF THIS TITLE TO**  
25 **THE LIMITED LIABILITY COMPANY.**

26 **(E) UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT,**  
27 **ON ASSIGNMENT UNDER THIS SECTION OF ALL OF A MEMBER'S INTEREST IN A**  
28 **LIMITED LIABILITY COMPANY, THE MEMBER CEASES TO BE A MEMBER OF THE**  
29 **LIMITED LIABILITY COMPANY AND TO HAVE THE POWER TO EXERCISE ANY**  
30 **RIGHT OR POWER OF A MEMBER.**

31 **(F) UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT,**  
32 **THE PLEDGE OR GRANT OF A SECURITY INTEREST, LIEN, OR OTHER**



1 ENCUMBRANCE IN OR AGAINST ALL OR A PART OF AN INTEREST OF A MEMBER  
2 MAY NOT CAUSE THE MEMBER TO CEASE TO BE A MEMBER OR TO HAVE THE  
3 POWER TO EXERCISE ANY RIGHT OR POWER OF A MEMBER.

4 4A-604.

5 (a) An assignee of an interest in a limited liability company may become a  
6 member [if and to the extent that] **OF THE LIMITED LIABILITY COMPANY UNDER**  
7 **ANY OF THE FOLLOWING CIRCUMSTANCES:**

8 (1) [The assignor gives the assignee that right under authority  
9 described in the operating agreement] **IN ACCORDANCE WITH THE TERMS OF THE**  
10 **OPERATING AGREEMENT PROVIDING FOR THE ADMISSION OF A MEMBER;**

11 (2) [The members unanimously] **BY THE UNANIMOUS** consent **OF**  
12 **THE MEMBERS;** or

13 (3) [Except as otherwise provided in the operating agreement, if the  
14 limited liability company has no members, all of the assignees of members may elect to  
15 become members] **IF THERE ARE NO REMAINING MEMBERS OF THE LIMITED**  
16 **LIABILITY COMPANY AT THE TIME THE ASSIGNEE OBTAINS THE INTEREST, ON**  
17 **TERMS THAT THE ASSIGNEE MAY DETERMINE IN ACCORDANCE WITH §**  
18 **4A-902(B)(1) OF THIS TITLE.**

19 (b) An assignee who becomes a member:

20 (1) Has, to the extent assigned, the rights and powers, and is subject  
21 to the restrictions and liabilities, of a member under the operating agreement and this  
22 title; and

23 (2) Is liable for any obligations of his assignor to make capital  
24 contributions.

25 [(c) If an assignee of an interest in a limited liability company becomes a  
26 member, the assignor is not released from the assignor's liability under § 4A-502 of  
27 this title to the limited liability company.]

28 [4A-607.

29 (a) On application to a court of competent jurisdiction by any judgment  
30 creditor of a member, the court may charge the interest of the member in the limited  
31 liability company with the payment of the unsatisfied amount of the judgment with  
32 interest.

33 (b) To the extent so charged, the judgment creditor shall have only the rights  
34 of an assignee of the member's interest in the limited liability company.

1 (c) This title does not deprive a member of the benefit of any exemption laws  
2 applicable to the member's interest in the limited liability company.]

3 **4A-607.**

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
5 MEANINGS INDICATED.

6 (2) "CREDITOR" MEANS A PERSON FOR WHOM A COURT MAY  
7 ISSUE AN ATTACHMENT UNDER TITLE 3, SUBTITLE 3 OF THE COURTS ARTICLE.

8 (3) "DEBTOR" MEANS A PERSON WHOSE PROPERTY OR CREDITS  
9 ARE SUBJECT TO ATTACHMENT UNDER TITLE 3, SUBTITLE 3 OF THE COURTS  
10 ARTICLE.

11 (B) (1) ON APPLICATION BY A CREDITOR OF A DEBTOR HOLDING AN  
12 INTEREST IN A LIMITED LIABILITY COMPANY, A COURT HAVING JURISDICTION  
13 MAY CHARGE THE INTEREST OF THE DEBTOR.

14 (2) THE COURT MAY APPOINT A RECEIVER FOR THE  
15 DISTRIBUTIONS DUE OR TO BECOME DUE TO THE DEBTOR WITH RESPECT TO  
16 THE LIMITED LIABILITY COMPANY AND MAKE ALL OTHER ORDERS, DIRECTIONS,  
17 ACCOUNTS, AND INQUIRIES THAT THE DEBTOR WOULD HAVE BEEN ENTITLED TO  
18 MAKE OR THAT THE CIRCUMSTANCES OF THE CASE MAY REQUIRE.

19 (C) (1) A CHARGING ORDER CONSTITUTES A LIEN ON THE INTEREST  
20 OF THE DEBTOR IN THE LIMITED LIABILITY COMPANY.

21 (2) (I) THE COURT MAY ORDER FORECLOSURE OF THE  
22 INTEREST SUBJECT TO THE CHARGING ORDER AT ANY TIME.

23 (II) THE PURCHASER AT THE FORECLOSURE SALE HAS  
24 ONLY THE RIGHTS OF AN ASSIGNEE AS PROVIDED IN §§ 4A-603 AND 4A-604 OF  
25 THIS SUBTITLE.

26 (D) BEFORE A FORECLOSURE UNDER THIS SECTION, AN INTEREST  
27 CHARGED MAY BE REDEEMED WITH PROPERTY:

28 (1) OTHER THAN PROPERTY OF THE LIMITED LIABILITY  
29 COMPANY, BY THE DEBTOR;

30 (2) OTHER THAN PROPERTY OF THE LIMITED LIABILITY  
31 COMPANY, BY ONE OR MORE OF THE MEMBERS OTHER THAN THE DEBTOR; OR

1           **(3) OF THE LIMITED LIABILITY COMPANY, WITH THE CONSENT OF**  
2 **ALL OF THE MEMBERS WHOSE INTERESTS ARE NOT SO CHARGED.**

3           **(E) THIS TITLE DOES NOT DEPRIVE A DEBTOR OF A RIGHT UNDER**  
4 **EXEMPTION LAWS WITH RESPECT TO THE INTEREST OF THE DEBTOR IN THE**  
5 **LIMITED LIABILITY COMPANY.**

6           **(F) THIS SECTION PROVIDES THE EXCLUSIVE REMEDY BY WHICH A**  
7 **CREDITOR OR A PERSON HOLDING AN INTEREST IN A LIMITED LIABILITY**  
8 **COMPANY MAY ATTACH THE INTEREST OR OTHERWISE AFFECT THE RIGHTS OF A**  
9 **MEMBER IN THE LIMITED LIABILITY COMPANY.**

10 4A-902.

11           (a) A limited liability company is dissolved and shall commence the winding  
12 up of its affairs on the first to occur of the following:

13           (1) At the time or on the happening of the events specified in the  
14 articles of organization or the operating agreement;

15           (2) At the time specified by the unanimous consent of the members;

16           (3) At the time of the entry of a decree of judicial dissolution under §  
17 4A-903 of this subtitle; or

18           (4) Except as otherwise provided in the operating agreement or as  
19 provided in subsection (b) of this section, at the time the limited liability company has  
20 had no members for a period of 90 consecutive days.

21           (b) A limited liability company may not be dissolved or required to wind up  
22 its affairs if within 90 days after there are no remaining members of the limited  
23 liability company or within the period of time provided in the operating agreement:

24           (1) The last remaining member's personal representative [or],  
25 successor, **OR ASSIGNEE** agrees in writing to continue the limited liability company  
26 and to be admitted as a member or to appoint a designee as a member to be effective  
27 as of the time the last remaining member ceased to be a member; or

28           (2) A member is admitted to the limited liability company in the  
29 manner set forth in the operating agreement to be effective as of the time the last  
30 remaining member ceased to be a member under a provision in the operating  
31 agreement that provides for the admission of a member after there are no remaining  
32 members.

1           (c)     An operating agreement may provide that the last remaining member's  
2 personal representative [or], successor, **OR ASSIGNEE** shall be obligated to agree in  
3 writing to continue the limited liability company and to be admitted as a member or to  
4 appoint a designee as a member to be effective as of the time the last remaining  
5 member ceased to be a member.

6           (d)     Except as otherwise provided in the operating agreement and subject to  
7 the provisions of subsection (b) of this section, the termination of a person's  
8 membership may not cause a limited liability company to be dissolved or to wind up its  
9 affairs and the limited liability company shall continue in existence following the  
10 termination of a person's membership.

11           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 June 1, 2011.