

Chapter 527

(Senate Bill 697)

AN ACT concerning

Corporations and Associations – Conversions

FOR the purpose of authorizing certain entities to convert to certain other entities; establishing the manner of and procedures for conversions; requiring articles of conversion to be filed for record with the State Department of Assessments and Taxation; specifying the contents of articles of conversion; providing for the effects of a conversion; providing for the timing of the effectiveness of articles of conversion and the effective time for the completion of a conversion; providing for the abandonment of a conversion under certain circumstances; requiring a certain nonrefundable processing fee for articles of conversion; establishing that, under certain circumstances, a stockholder of a Maryland corporation has the right to fair value of the stockholder's stock if the corporation is converted; providing certain rights to a member of a limited liability company, a shareholder of a real estate investment trust, and a partner of a partnership who objects to a conversion; altering the manner in which certain charter documents must be executed; defining certain terms; altering certain definitions; making certain conforming changes; and generally relating to conversions of certain entities.

BY renumbering

Article – Corporations and Associations

Section 4A-1101 through 4A-1108 and the subtitle “Subtitle 11. Benefit Limited Liability Companies”; 4A-1201 through 4A-1203 and the subtitle “Subtitle 12. Miscellaneous”; 8-701 and the subtitle “Subtitle 7. Penalties”; 8-801 and the subtitle “Subtitle 8. Short Title”; and 9A-1201 through 9A-1205 and the subtitle “Subtitle 12. Miscellaneous Provisions”, respectively

to be Section 4A-1201 through 4A-1208 and the subtitle “Subtitle 12. Benefit Limited Liability Companies”; 4A-1301 through 4A-1303 and the subtitle “Subtitle 13. Miscellaneous”; 8-801 and the subtitle “Subtitle 8. Penalties”; 8-901 and the subtitle “Subtitle 9. Miscellaneous”; and 9A-1301 through 9A-1305 and the subtitle “Subtitle 13. Miscellaneous Provisions”, respectively

Annotated Code of Maryland

(2007 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 1-101, 1-203(b)(1), 1-301(a), 3-202(a), 4A-206, 4A-403, and 10-204(a)

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BY adding to

Article – Corporations and Associations

Section 3–901 through 3–907 to be under the new subtitle “Subtitle 9. Conversions of Corporations”; 4A–1101 through 4A–1107 to be under the new subtitle “Subtitle 11. Conversions of Limited Liability Companies”; 8–701 through 8–707 to be under the new subtitle “Subtitle 7. Conversions of Real Estate Investment Trusts”; 9A–1201 through 9A–1207 to be under the new subtitle “Subtitle 12. Conversions of Partnerships”; 10–7A–01 through 10–7A–07 to be under the new subtitle “Subtitle 7A. Conversions of Limited Partnerships”; and Section 12–1001 through 12–1007 to be under the new subtitle “Subtitle 10. Conversions of Statutory Trusts”

Annotated Code of Maryland
(2007 Replacement Volume and 2012 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 4A–1101 through 4A–1108 and the subtitle “Subtitle 11. Benefit Limited Liability Companies”; 4A–1201 through 4A–1203 and the subtitle “Subtitle 12. Miscellaneous”; 8–701 and the subtitle “Subtitle 7. Penalties”; 8–801 and the subtitle “Subtitle 8. Short Title”; and 9A–1201 through 9A–1205 and the subtitle “Subtitle 12. Miscellaneous Provisions”, respectively, of Article – Corporations and Associations of the Annotated Code of Maryland be renumbered to be Section(s) 4A–1201 through 4A–1208 and the “Subtitle 12. Benefit Limited Liability Companies”; 4A–1301 through 4A–1303 and the subtitle “Subtitle 13. Miscellaneous”; 8–801 and the subtitle “Subtitle 8. Penalties”; 8–901 and the subtitle “Subtitle 9. Miscellaneous”; and 9A–1301 through 9A–1305 and the subtitle “Subtitle 13. Miscellaneous Provisions”, respectively.

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

Article – Corporations and Associations

1–101.

(a) In this article, unless the context clearly requires otherwise, the following words have the meanings indicated.

(b) “Address” means the post office address, and includes street and number, if any, county or municipal area, and state and, if outside the United States, country.

(c) “Articles of transfer” means articles of sale, articles of lease, articles of asset exchange, or articles of transfer.

(d) “Assets” means any tangible, intangible, real, or personal property or other assets, including goodwill and franchises.

(e) “Business trust” means an unincorporated trust or association, including a common-law trust, a Massachusetts trust, a real estate investment trust as defined in § 8–101 of this article, a statutory trust as defined in § 12–101 of this article, and a foreign statutory trust as defined in § 12–101 of this article, that is engaged in business and in which property is acquired, held, managed, administered, controlled, invested, or disposed of by trustees or the trust for the benefit and profit of any person who may become a holder of a transferable unit of beneficial interest in the trust.

(f) (1) “Charter” includes:

- (i) A charter granted by special act of the General Assembly;
- (ii) Articles or certificate of incorporation;
- (iii) Amended articles or certificate of incorporation;
- (iv) Articles of restatement, if approved as described in § 2–609 of this article;
- (v) Articles of amendment and restatement; and
- (vi) Articles or agreements of consolidation.

(2) “Charter” includes the documents referred to in paragraph (1) of this subsection, either as:

- (i) Originally passed or accepted for record; or
- (ii) As amended, corrected, or supplemented by special act of the General Assembly, articles of amendment, articles of amendment and reduction, articles of extension, articles supplementary, articles or agreements of merger, articles of revival, or a certificate of correction.

(g) “Charter document” means any:

- (1) Document enumerated in subsection (f) of this section; and
- (2) Articles of reduction, articles or agreements of transfer, articles of merger, articles of share exchange, **ARTICLES OF CONVERSION**, articles of dissolution, and stock issuance statements.

(h) “Clerk of the court” means clerk of the circuit court for any county.

(i) “Convertible securities” includes:

(1) Shares of stock which by their terms are convertible into shares of stock of one or more classes; and

(2) Obligations which by their terms are convertible into shares of stock of one or more classes.

(j) “County” includes Baltimore City.

(k) “Department” means the State Department of Assessments and Taxation.

(l) “Director” means a member of the governing body of a corporation, whether designated as a director, trustee, or manager or by any other title.

(m) “Electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

(n) “Foreign corporation” means a corporation, association, or joint-stock company organized under the laws of the United States, another state of the United States, a territory, possession, or district of the United States, or a foreign country.

(O) “GOVERNING DOCUMENT” MEANS:

(1) THE ARTICLES OR CERTIFICATE OF INCORPORATION AND THE BYLAWS OF A MARYLAND CORPORATION OR A FOREIGN CORPORATION;

(2) THE ARTICLES OF ORGANIZATION OR CERTIFICATE OF FORMATION AND THE OPERATING AGREEMENT OR LIMITED LIABILITY COMPANY AGREEMENT OF A DOMESTIC LIMITED LIABILITY COMPANY OR A FOREIGN LIMITED LIABILITY COMPANY;

(3) THE PARTNERSHIP AGREEMENT OF AN OTHER ENTITY THAT IS A PARTNERSHIP OR LIMITED PARTNERSHIP, ANY STATEMENT OF PARTNERSHIP AUTHORITY OF A PARTNERSHIP, THE CERTIFICATE OF LIMITED PARTNERSHIP OF A LIMITED PARTNERSHIP, AND THE CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP OF A LIMITED LIABILITY PARTNERSHIP;

(4) THE DECLARATION OF TRUST OR GOVERNING INSTRUMENT OF A BUSINESS TRUST; OR

(5) A SIMILAR GOVERNING DOCUMENT OR INSTRUMENT OF ANY OTHER TYPE OF ENTITY.

[(o)] (P) “Mail” means to deposit in the United States mails postage prepaid.

[(p)] (Q) “Maryland corporation” means a corporation organized and existing under the laws of **[the] THIS** State.

[(q)] (R) “Municipal area” means any incorporated or unincorporated city, town, or village.

[(r)] (S) “Person” includes an individual~~[,]~~ **AND A DOMESTIC OR FOREIGN** corporation, business trust, statutory trust, estate, trust, partnership, limited partnership, limited liability company, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

[(s)] (T) “Principal office” means:

(1) The place in this State filed or recorded with the Department as the principal office of a corporation or domestic limited partnership; or

(2) If there is no principal office designated, the main office of the corporation or domestic limited partnership in this State for the transaction of business.

[(t)] (U) “Resident agent” means an individual residing in this State or a Maryland corporation or limited liability company whose name, address, and designation as a resident agent are filed or recorded with the Department in accordance with the provisions of this article.

[(u)] (V) “Share exchange” means a transaction:

(1) In which a corporation acquires all the issued or all the outstanding shares of stock of one or more classes of another corporation by a stockholder vote under this article; and

(2) Which does not affect the corporate existence of either corporation.

[(v)] (W) “Stated capital” means the amount of stated capital determined in accordance with Title 2, Subtitle 3 of this article.

[(w)] (X) “Stockholder” means a person who is a record holder of shares of stock in a corporation and includes a member of a corporation organized without stock.

[(x)] (Y) “Stockholder rights plan” means an agreement or other instrument under which a corporation issues rights to its stockholders that:

(1) May be exercised under specified circumstances to purchase stock or other securities of a corporation or any other person; and

(2) May become void if owned by a designated person or classes of persons under specified circumstances.

[(y)] (Z) “Successor” means:

(1) A new corporation formed by consolidation;

(2) A corporation or other entity surviving a merger;

(3) A corporation acquiring stock in a share exchange; or

(4) A vendee, lessee, or other transferee in a transfer of assets.

[(z)] (AA) “Transfer assets”, “transfer its assets”, and “transfer of assets” mean to sell, lease, exchange, or otherwise transfer all or substantially all of the assets of a corporation.

1–203.

(b) (1) Except as provided in paragraph (11) of this subsection, for each of the following documents, the nonrefundable processing fee is \$100:

Document

Articles of incorporation

Articles of amendment

Articles of extension

Articles of restatement of charter

Articles of amendment and restatement

Articles supplementary

Articles of share exchange

Articles of consolidation, merger, or transfer

Articles of dissolution

Articles of revival for stock corporation

Articles of revival for nonstock corporation

ARTICLES OF CONVERSION

1-301.

(a) Articles supplementary and articles of amendment, restatement, amendment and restatement, consolidation, merger, share exchange, transfer, **CONVERSION**, and extension and, except as provided in § 3-406(b) of this article, articles of dissolution shall be executed as follows:

(1) They shall be signed and acknowledged for each corporation, statutory trust, or real estate investment trust party to the articles, by its chairman or vice chairman of the board of directors or board of trustees, by its chief executive officer, chief operating officer, chief financial officer, president, or one of its vice presidents, or, if authorized by the bylaws or resolution of the board of directors or board of trustees and the articles so state, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(2) They shall be witnessed or attested by the secretary, treasurer, chief financial officer, assistant treasurer, or assistant secretary of each corporation, statutory trust, or real estate investment trust party to the articles, or, if authorized by the bylaws or resolution of the board of directors or board of trustees and the articles so state, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(3) They shall be signed and acknowledged for each other entity party to the articles by [a majority of the entire board of trustees or other governing body or by a person acting in a similar capacity for the entity as an officer described in item (1) of this subsection] **A PERSON AUTHORIZED TO ACT FOR THE ENTITY BY LAW OR BY THE GOVERNING DOCUMENT**; and

(4) Except as provided in subsection (b) of this section, the matters and facts set forth in the articles with respect to authorization and approval shall be verified under oath as follows:

(i) With respect to any Maryland corporation, statutory trust, or real estate investment trust party to the articles, by the chairman or the secretary of the meeting at which the articles or transaction were approved, by the chairman or

vice chairman of the board of directors or board of trustees, by the chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, or assistant secretary of the corporation, statutory trust, or real estate investment trust, or, if authorized in accordance with item (1) of this subsection and the articles so state, by any other officer or agent of the corporation, statutory trust, or real estate investment trust;

(ii) With respect to any foreign corporation party to articles of consolidation, merger, or share exchange, by the chief executive officer, chief operating officer, **CHIEF FINANCIAL OFFICER**, president, vice president, secretary, or assistant secretary of the corporation; and

(iii) With respect to any other Maryland or foreign entity party to the articles, by [the chief executive officer, chief operating officer, president, vice president, secretary, assistant secretary, managing trustee, or persons acting in a similar position for the entity] **A PERSON AUTHORIZED BY LAW OR BY THE GOVERNING DOCUMENT TO ACT FOR THE ENTITY.**

3-202.

(a) Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

(1) The corporation consolidates or merges with another corporation;

(2) The stockholder's stock is to be acquired in a share exchange;

(3) The corporation transfers its assets in a manner requiring action under § 3-105(e) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation; [or]

(5) The transaction is governed by § 3-602 of this title or exempted by § 3-603(b) of this title; **OR**

(6) **THE CORPORATION IS CONVERTED IN ACCORDANCE WITH § 3-901 OF THIS TITLE.**

SUBTITLE 9. CONVERSIONS OF CORPORATIONS.

3-901.

(A) IN THIS SUBTITLE, "OTHER ENTITY" MEANS:

(1) A FOREIGN CORPORATION, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(2) A DOMESTIC LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(3) A FOREIGN LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(4) A PARTNERSHIP, AS DEFINED IN § 9A-101 OF THIS ARTICLE;

(5) A LIMITED PARTNERSHIP, AS DEFINED IN § 10-101 OF THIS ARTICLE, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER § 10-805 OF THIS ARTICLE;

(6) A FOREIGN LIMITED PARTNERSHIP, AS DEFINED IN § 10-101 OF THIS ARTICLE;

(7) A BUSINESS TRUST, AS DEFINED IN § 1-101 OF THIS ARTICLE;
OR

(8) ANOTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION, OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY.

(B) UNLESS THE CHARTER PROVIDES OTHERWISE, A MARYLAND CORPORATION MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 3-902 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

(C) AN OTHER ENTITY MAY CONVERT TO A MARYLAND CORPORATION HAVING CAPITAL STOCK BY COMPLYING WITH § 3-902 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE; AND

(2) ARTICLES OF INCORPORATION, WHICH SHALL INCLUDE THE NAME OF THE CONVERTING OTHER ENTITY, EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE AND OTHERWISE COMPLYING WITH THE MARYLAND GENERAL CORPORATION LAW.

3-902.

(A) A CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY SHALL BE APPROVED IN THE MANNER PROVIDED BY THIS SECTION AND IN ACCORDANCE WITH ANY ADDITIONAL REQUIREMENTS SET FORTH IN THE MARYLAND CORPORATION'S CHARTER.

(B) A CONVERSION OF A MARYLAND CORPORATION NEED BE APPROVED ONLY BY A MAJORITY OF ITS BOARD OF DIRECTORS IF THERE IS NO STOCK OUTSTANDING OR SUBSCRIBED FOR.

(C) THE BOARD OF DIRECTORS OF A MARYLAND CORPORATION THAT PROPOSES TO CONVERT TO AN OTHER ENTITY SHALL:

(1) ADOPT A RESOLUTION DECLARING THAT THE PROPOSED CONVERSION IS ADVISABLE ON SUBSTANTIALLY THE TERMS AND CONDITIONS SET FORTH OR REFERRED TO IN THE RESOLUTION; AND

(2) DIRECT THAT THE PROPOSED CONVERSION BE SUBMITTED FOR CONSIDERATION AT AN ANNUAL OR A SPECIAL MEETING OF THE STOCKHOLDERS.

(D) NOTICE STATING THAT A PURPOSE OF THE MEETING WILL BE TO ACT ON THE PROPOSED CONVERSION SHALL BE GIVEN BY THE CORPORATION IN THE MANNER REQUIRED BY TITLE 2 OF THIS ARTICLE TO:

(1) EACH OF ITS STOCKHOLDERS ENTITLED TO VOTE ON THE PROPOSED TRANSACTION; AND

(2) EACH OF ITS STOCKHOLDERS NOT ENTITLED TO VOTE ON THE PROPOSED TRANSACTION.

(E) THE PROPOSED CONVERSION SHALL BE APPROVED BY THE STOCKHOLDERS OF THE MARYLAND CORPORATION BY THE AFFIRMATIVE VOTE OF TWO-THIRDS OF ALL THE VOTES ENTITLED TO BE CAST ON THE MATTER.

(F) A CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION SHALL BE APPROVED IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED.

3-903.

(A) IN THIS SECTION, "FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION" INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING:

(I) THE CORPORATION OR OTHER ENTITY, AS APPLICABLE;

(II) THE DIRECTORS, PARTNERS, MEMBERS, TRUSTEES, OFFICERS, OR OTHER AGENTS OF THE CORPORATION OR OTHER ENTITY; AND

(III) ANY OTHER PERSON AFFILIATED WITH THE CORPORATION OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE MARYLAND CORPORATION AND THE DATE OF FILING OF ITS ORIGINAL ARTICLES OF INCORPORATION WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE MARYLAND CORPORATION WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING OUTSTANDING SHARES OF STOCK OF THE CORPORATION INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL

INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY ISSUED SHARES OF STOCK NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(i) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(ii) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE MARYLAND CORPORATION TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO SHARES OF STOCK OF THE MARYLAND CORPORATION OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR

EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME FOR THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

3-904.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE COMPLETION OF THE CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY.

(2) THE MARYLAND CORPORATION SHALL CEASE TO EXIST AS A MARYLAND CORPORATION AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO WHICH THE MARYLAND CORPORATION HAS CONVERTED, AND THE OTHER ENTITY, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING MARYLAND CORPORATION.

(3) (I) ALL THE ASSETS OF THE MARYLAND CORPORATION, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE MARYLAND CORPORATION SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE MARYLAND CORPORATION TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE MARYLAND CORPORATION BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND

DELIVERED AT ANY TIME IN THE NAME OF THE MARYLAND CORPORATION BY ITS LAST ACTING OFFICERS OR BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE MARYLAND CORPORATION.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE MARYLAND CORPORATION MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE MARYLAND CORPORATION CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE MARYLAND CORPORATION.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE STOCKHOLDERS OF THE MARYLAND CORPORATION UNDER THE ARTICLES OF CONVERSION AND TO THE RIGHTS OF AN OBJECTING STOCKHOLDER UNDER § 3-202 OF THIS TITLE, THE OWNERSHIP INTERESTS OF THE STOCKHOLDERS OF THE MARYLAND CORPORATION CEASE TO EXIST AS STOCK IN THE CONVERTED MARYLAND CORPORATION AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) THE CONVERSION OF THE MARYLAND CORPORATION TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE MARYLAND CORPORATION OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING MARYLAND CORPORATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE MARYLAND CORPORATION.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE MARYLAND CORPORATION BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(c) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION.

(2) THE MARYLAND CORPORATION, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (i) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE MARYLAND CORPORATION WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE MARYLAND CORPORATION, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(ii) THE CONVERSION OF THE OTHER ENTITY TO A MARYLAND CORPORATION DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(iii) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY OR BY THE OFFICERS OF THE MARYLAND CORPORATION.

(4) (i) THE MARYLAND CORPORATION SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(ii) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE MARYLAND CORPORATION MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE ~~OTHER ENTITY~~ MARYLAND CORPORATION.

(iii) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS

SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(6) A PERSON REMAINS LIABLE FOR ANY OBLIGATION INCURRED BY THE OTHER ENTITY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT THAT THE PERSON WOULD HAVE BEEN LIABLE IF THE CONVERSION HAD NOT OCCURRED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS SHARES OF STOCK IN THE MARYLAND CORPORATION.

3-905.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK OF THE MARYLAND CORPORATION OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF ANY OTHER CORPORATION OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

(B) IN A CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY, STOCK OF THE MARYLAND CORPORATION MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE MARYLAND

CORPORATION IS CONVERTED OR OF ANY OTHER CORPORATION OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

- (2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;**
- (3) MONEY; AND**
- (4) ANY OTHER CONSIDERATION.**

3-906.

(A) THE CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION SHALL BE COMPLETED ON THE LATER OF:

(1) THE INCORPORATION OF THE MARYLAND CORPORATION IN ACCORDANCE WITH SUBTITLE 2 OF THIS TITLE; OR

(2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(B) THE CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION ARE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION AS SET FORTH IN ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A MARYLAND CORPORATION;

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 3-904 OF THIS SUBTITLE; AND

3. THE CORPORATION SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THE MARYLAND GENERAL CORPORATION LAW.

(II) NOTWITHSTANDING § 2-102 OF THIS ARTICLE, THE EXISTENCE OF THE MARYLAND CORPORATION SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED ITS EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 3-904 OF THIS SUBTITLE.

3-907.

(A) UNLESS THE CHARTER OF THE MARYLAND CORPORATION OR ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF A MARYLAND CORPORATION TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE ARTICLES OF CONVERSION BY MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS OF THE MARYLAND CORPORATION.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF AN OTHER ENTITY TO A MARYLAND CORPORATION MAY BE ABANDONED IN THE MANNER AND BY THE VOTE REQUIRED BY THE GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 3-902 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A MARYLAND CORPORATION IN CONNECTION WITH THE PROPOSED CONVERSION.

4A-206.

(a) Articles and certificates required by this title to be filed with the Department shall be executed in the following manner:

(1) Articles of organization shall be executed by any individual authorized to do so by the persons forming the limited liability company; and

(2) Articles of amendment, articles of merger, certificates of correction, articles of dissolution, articles of continuation, **ARTICLES OF CONVERSION**, articles of cancellation, and articles of reinstatement shall be executed by an authorized person.

(b) (1) An authorized person may sign any articles or certificates by an attorney in fact.

(2) Powers of attorney relating to the signing of articles or certificates by an attorney in fact need not be sworn to, verified, or acknowledged, and need not be filed with the Department.

(c) Any document required to be certified, acknowledged, or verified under this title shall be so acknowledged, verified, or certified in accordance with the procedure set forth in Title 1, Subtitle 3 of this article.

4A-403.

(a) The provisions of this section apply unless otherwise provided in this title or unless otherwise agreed.

(b) (1) Members shall vote in proportion to their respective interests in profits of the limited liability company, as determined under § 4A-503 of this title.

(2) Decisions concerning the affairs of the limited liability company shall require the consent of members holding at least a majority of the interests in profits of the limited liability company as determined under § 4A-503 of this title.

(c) (1) A meeting of the members may be called by the written request of members holding at least 25% of the interests in profits of the limited liability company as determined under § 4A-503 of this title.

(2) (i) Members of a limited liability company may participate in a meeting by means of conference telephone or other communications equipment or by means of remote communication, if all persons participating in the meeting:

1. Can either hear or read the proceedings of the meeting substantially concurrent with the proceedings; and

2. Have the opportunity to participate in the meeting and vote on matters submitted to the members.

(ii) Participation in a meeting by the means authorized by subparagraph (i) of this paragraph constitutes presence in person at the meeting.

(d) (1) A member may not take any of the following actions without the consent of members holding at least two-thirds of the interest in profits of the limited liability company as determined under § 4A-503 of this title:

(i) Dispose of all or substantially all of the business or property of the limited liability company; [or]

(ii) Approve a merger as provided in § 4A-702 of this title; OR

(III) APPROVE A CONVERSION AS PROVIDED IN § 4A-1102 OF THIS TITLE.

(2) A member may not take any of the following actions without the unanimous consent of the members:

(i) Institute a voluntary proceeding under the federal bankruptcy code;

(ii) Assign the property of the limited liability company in trust for creditors or on the assignee's promise to pay the debts of the limited liability company;

(iii) Alter the allocation of profit or loss to members of the limited liability company;

(iv) Alter the allocation of or the manner of computing distributions payable to members of the limited liability company; or

(v) Do any other act that would make it impossible to carry on the ordinary business of the limited liability company.

SUBTITLE 11. CONVERSIONS OF LIMITED LIABILITY COMPANIES.

4A-1101.

(A) IN THIS SUBTITLE, "OTHER ENTITY" MEANS:

(1) A MARYLAND CORPORATION INCORPORATED UNDER TITLE 2 OF THIS ARTICLE;

(2) A FOREIGN CORPORATION, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(3) A PARTNERSHIP, AS DEFINED IN § 9A-101 OF THIS ARTICLE;

(4) A LIMITED PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP REGISTERED OR DENOMINATED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER § 10-805 OF THIS ARTICLE OR UNDER THE LAWS OF A STATE OTHER THAN THIS STATE;

(5) A BUSINESS TRUST, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(6) ANOTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION, OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY; OR

(7) A FOREIGN LIMITED LIABILITY COMPANY.

(B) UNLESS OTHERWISE AGREED, A LIMITED LIABILITY COMPANY MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 4A-1102 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

(C) AN OTHER ENTITY MAY CONVERT TO A LIMITED LIABILITY COMPANY BY COMPLYING WITH THE REQUIREMENTS OF § 4A-1102 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY § 4A-206 OF THIS TITLE; AND

(2) ARTICLES OF ORGANIZATION, WHICH SHALL INCLUDE THE NAME OF THE CONVERTING OTHER ENTITY, EXECUTED IN THE MANNER REQUIRED BY § 4A-206 AND OTHERWISE COMPLYING WITH THIS TITLE.

4A-1102.

(A) UNLESS OTHERWISE AGREED, A LIMITED LIABILITY COMPANY SHALL APPROVE THE CONVERSION OF THE LIMITED LIABILITY COMPANY TO AN OTHER ENTITY BY THE VOTE REQUIRED UNDER § 4A-403(D)(1) OF THIS TITLE.

(B) AN OTHER ENTITY SEEKING TO CONVERT TO A LIMITED LIABILITY COMPANY SHALL APPROVE THE CONVERSION OF THE OTHER ENTITY TO A LIMITED LIABILITY COMPANY IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE WHERE IT IS INCORPORATED OR ORGANIZED.

(C) (1) A MEMBER OF A LIMITED LIABILITY COMPANY OBJECTING TO A CONVERSION OF THE LIMITED LIABILITY COMPANY HAS THE SAME RIGHTS WITH RESPECT TO THE MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY AS A STOCKHOLDER OF A MARYLAND CORPORATION WHO OBJECTS HAS WITH RESPECT TO THE STOCKHOLDER'S STOCK UNDER TITLE 3, SUBTITLE 2 OF THIS ARTICLE.

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

4A-1103.

(A) IN THIS SECTION, "FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION" INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING:

(I) THE LIMITED LIABILITY COMPANY OR OTHER ENTITY, AS APPLICABLE;

(II) THE MEMBERS, PARTNERS, DIRECTORS, TRUSTEES, OFFICERS, OR OTHER AGENTS OF THE LIMITED LIABILITY COMPANY OR OTHER ENTITY; AND

(III) ANY OTHER PERSON AFFILIATED WITH THE LIMITED LIABILITY COMPANY OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE LIMITED LIABILITY COMPANY AND THE DATE OF FILING OF THE ORIGINAL ARTICLES OF ORGANIZATION WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE LIMITED LIABILITY COMPANY WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY MEMBERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(I) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(II) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE LIMITED LIABILITY COMPANY TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME FOR THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

4A-1104.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE COMPLETION OF THE CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY.

(2) THE LIMITED LIABILITY COMPANY SHALL CEASE TO EXIST AS A LIMITED LIABILITY COMPANY AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO WHICH THE LIMITED LIABILITY COMPANY HAS CONVERTED, AND THE OTHER ENTITY SHALL, FOR ALL PURPOSES OF THE LAWS OF THIS STATE,

BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING LIMITED LIABILITY COMPANY.

(3) (I) ALL THE ASSETS OF THE LIMITED LIABILITY COMPANY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE LIMITED LIABILITY COMPANY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE LIMITED LIABILITY COMPANY TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE LIMITED LIABILITY COMPANY BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE LIMITED LIABILITY COMPANY BY ITS LAST ACTING AUTHORIZED PERSONS OR BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE LIMITED LIABILITY COMPANY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE LIMITED LIABILITY COMPANY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE LIMITED LIABILITY COMPANY CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE LIMITED LIABILITY COMPANY.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE MEMBERS OF THE LIMITED LIABILITY COMPANY UNDER THE ARTICLES OF CONVERSION AND TO THE RIGHTS OF AN OBJECTING MEMBER UNDER THIS SUBTITLE, THE OWNERSHIP INTERESTS OF THE MEMBERS OF THE LIMITED LIABILITY COMPANY CEASE TO EXIST AS MEMBERSHIP INTERESTS IN THE

CONVERTED LIMITED LIABILITY COMPANY AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) THE CONVERSION OF THE LIMITED LIABILITY COMPANY TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE LIMITED LIABILITY COMPANY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING LIMITED LIABILITY COMPANY IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE LIMITED LIABILITY COMPANY.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE LIMITED LIABILITY COMPANY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(c) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY.

(2) THE LIMITED LIABILITY COMPANY, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (i) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE LIMITED LIABILITY COMPANY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE LIMITED LIABILITY COMPANY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(ii) THE CONVERSION OF THE OTHER ENTITY TO A LIMITED LIABILITY COMPANY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(iii) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE

APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY OR BY AN AUTHORIZED PERSON OF THE LIMITED LIABILITY COMPANY.

(4) (I) THE LIMITED LIABILITY COMPANY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE LIMITED LIABILITY COMPANY OR ANY PARTY, THE LIMITED LIABILITY COMPANY MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE LIMITED LIABILITY COMPANY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(6) A PERSON REMAINS LIABLE FOR ANY OBLIGATION INCURRED BY THE OTHER ENTITY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT THAT THE PERSON WOULD HAVE BEEN LIABLE IF THE CONVERSION HAD NOT OCCURRED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY.

4A-1105.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF AN OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

(B) IN A CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY, MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE LIMITED LIABILITY COMPANY IS CONVERTED OR OF AN OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

4A-1106.

(A) THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY SHALL BE COMPLETED ON THE LATER OF:

(1) THE FORMATION OF THE LIMITED LIABILITY COMPANY IN ACCORDANCE WITH THIS TITLE; OR

(2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(B) THE CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION ARE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION SET FORTH IN ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (I) EXCEPT AS PROVIDE IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A LIMITED LIABILITY COMPANY;

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 4A-1104 OF THIS SUBTITLE; AND

3. THE LIMITED LIABILITY COMPANY SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THIS TITLE.

(II) NOTWITHSTANDING § 4A-202 OF THIS TITLE, THE EXISTENCE OF THE LIMITED LIABILITY COMPANY AS A DOMESTIC LIMITED LIABILITY COMPANY SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED ITS EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 4A-1104 OF THIS SUBTITLE.

4A-1107.

(A) UNLESS OTHERWISE AGREED OR THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF A LIMITED LIABILITY COMPANY TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION BY THE VOTE REQUIRED UNDER § 4A-403(D)(1) OF THIS TITLE TO APPROVE THE CONVERSION.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY COMPANY MAY BE ABANDONED BEFORE THE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION IN THE MANNER AND BY THE VOTE REQUIRED BY THE

GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 4A-1102 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A PARTY TO THE PROPOSED CONVERSION IN CONNECTION WITH THE PROPOSED CONVERSION.

SUBTITLE 7. CONVERSIONS OF REAL ESTATE INVESTMENT TRUSTS.

8-701.

(A) IN THIS SUBTITLE, "OTHER ENTITY" MEANS:

(1) A MARYLAND CORPORATION INCORPORATED UNDER TITLE 2 OF THIS ARTICLE;

(2) A FOREIGN CORPORATION, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(3) A DOMESTIC LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(4) A FOREIGN LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(5) A PARTNERSHIP, AS DEFINED IN § 9A-101 OF THIS ARTICLE;

(6) A LIMITED PARTNERSHIP, AS DEFINED IN § 10-101 OF THIS ARTICLE, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER § 10-805 OF THIS ARTICLE;

(7) A FOREIGN LIMITED PARTNERSHIP, AS DEFINED IN § 10-101 OF THIS ARTICLE;

(8) A BUSINESS TRUST, AS DEFINED IN § 1-101 OF THIS ARTICLE, EXCLUDING A REAL ESTATE INVESTMENT TRUST; OR

(9) ANOTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY.

(B) UNLESS THE DECLARATION OF TRUST PROVIDES OTHERWISE, A REAL ESTATE INVESTMENT TRUST MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 8-702 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

(C) AN OTHER ENTITY MAY CONVERT TO A REAL ESTATE INVESTMENT TRUST BY COMPLYING WITH § 8-702 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE; AND

(2) A DECLARATION OF TRUST, WHICH SHALL INCLUDE THE NAME OF THE CONVERTING OTHER ENTITY, EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE AND OTHERWISE COMPLYING WITH THIS TITLE.

8-702.

(A) A CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY SHALL BE APPROVED IN THE MANNER PROVIDED BY THIS SECTION AND IN ACCORDANCE WITH ANY ADDITIONAL REQUIREMENTS SET FORTH IN THE REAL ESTATE INVESTMENT TRUST'S DECLARATION OF TRUST.

(B) A CONVERSION OF A REAL ESTATE INVESTMENT TRUST NEED BE APPROVED ONLY BY A MAJORITY OF THE BOARD OF TRUSTEES IF NO SHARES OF BENEFICIAL INTEREST ARE OUTSTANDING OR SUBSCRIBED FOR.

(C) THE BOARD OF TRUSTEES OF A REAL ESTATE INVESTMENT TRUST THAT PROPOSES TO CONVERT TO AN OTHER ENTITY SHALL:

(1) ADOPT A RESOLUTION DECLARING THAT THE PROPOSED CONVERSION IS ADVISABLE ON SUBSTANTIALLY THE TERMS AND CONDITIONS SET FORTH OR REFERRED TO IN THE RESOLUTION; AND

(2) DIRECT THAT THE PROPOSED CONVERSION BE SUBMITTED FOR CONSIDERATION AT AN ANNUAL OR A SPECIAL MEETING OF THE SHAREHOLDERS.

(D) NOTICE STATING THAT A PURPOSE OF THE MEETING WILL BE TO ACT ON THE PROPOSED CONVERSION SHALL BE GIVEN BY THE REAL ESTATE INVESTMENT TRUST IN THE MANNER PROVIDED FOR CORPORATIONS BY TITLE 2 OF THIS ARTICLE TO:

(1) EACH OF ITS SHAREHOLDERS ENTITLED TO VOTE ON THE PROPOSED TRANSACTION; AND

(2) EACH OF ITS SHAREHOLDERS NOT ENTITLED TO VOTE ON THE PROPOSED TRANSACTION.

(E) THE PROPOSED CONVERSION SHALL BE APPROVED BY THE SHAREHOLDERS OF THE REAL ESTATE INVESTMENT TRUST BY THE AFFIRMATIVE VOTE OF TWO-THIRDS OF ALL THE VOTES ENTITLED TO BE CAST ON THE MATTER.

(F) A CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST SHALL BE APPROVED IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE WHERE IT IS INCORPORATED OR ORGANIZED.

(G) EACH SHAREHOLDER OF A REAL ESTATE INVESTMENT TRUST OBJECTING TO A CONVERSION OF THE REAL ESTATE INVESTMENT TRUST SHALL HAVE THE SAME RIGHTS AS AN OBJECTING STOCKHOLDER OF A MARYLAND CORPORATION UNDER TITLE 3, SUBTITLE 2 OF THIS ARTICLE AND UNDER THE SAME PROCEDURES.

8-703.

(A) IN THIS SECTION, “FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION” INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING:

(I) THE REAL ESTATE INVESTMENT TRUST OR OTHER ENTITY, AS APPLICABLE;

(II) THE TRUSTEES, DIRECTORS, PARTNERS, MEMBERS, OFFICERS, OR OTHER AGENTS OF THE REAL ESTATE INVESTMENT TRUST OR OTHER ENTITY; AND

(III) ANY OTHER PERSON AFFILIATED WITH THE REAL ESTATE INVESTMENT TRUST OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE REAL ESTATE INVESTMENT TRUST AND THE DATE OF FILING OF THE ORIGINAL DECLARATION OF TRUST WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE REAL ESTATE INVESTMENT TRUST WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ISSUED SHARES OF BENEFICIAL INTEREST OF THE REAL ESTATE INVESTMENT TRUST INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY ISSUED SHARES OF BENEFICIAL INTEREST NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION

ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(I) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(II) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE REAL ESTATE INVESTMENT TRUST TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO SHARES OF BENEFICIAL INTEREST OF THE REAL ESTATE INVESTMENT TRUST, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

8-704.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY.

(2) THE REAL ESTATE INVESTMENT TRUST SHALL CEASE TO EXIST AS A REAL ESTATE INVESTMENT TRUST AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO WHICH THE REAL ESTATE INVESTMENT TRUST HAS CONVERTED, AND THE OTHER ENTITY SHALL, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING REAL ESTATE INVESTMENT TRUST.

(3) (I) ALL THE ASSETS OF THE REAL ESTATE INVESTMENT TRUST, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE REAL ESTATE INVESTMENT TRUST SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE REAL ESTATE INVESTMENT TRUST BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE REAL ESTATE INVESTMENT TRUST BY ITS LAST ACTING OFFICERS, OR BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE REAL ESTATE INVESTMENT TRUST.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE REAL ESTATE INVESTMENT TRUST MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE REAL ESTATE INVESTMENT TRUST CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE REAL ESTATE INVESTMENT TRUST.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE SHAREHOLDERS OF THE REAL ESTATE INVESTMENT TRUST UNDER THE ARTICLES OF CONVERSION AND TO THE RIGHTS OF AN OBJECTING SHAREHOLDER UNDER THIS SUBTITLE, THE OWNERSHIP INTERESTS OF THE SHAREHOLDERS OF THE REAL ESTATE INVESTMENT TRUST SHALL CEASE TO EXIST AS SHARES OF BENEFICIAL INTEREST OF THE REAL ESTATE INVESTMENT TRUST AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) THE CONVERSION OF THE REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE REAL ESTATE INVESTMENT TRUST OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING REAL ESTATE INVESTMENT TRUST IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE REAL ESTATE INVESTMENT TRUST.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE REAL ESTATE INVESTMENT TRUST BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(C) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST.

(2) THE REAL ESTATE INVESTMENT TRUST, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (I) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE REAL ESTATE INVESTMENT TRUST WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE REAL ESTATE INVESTMENT TRUST, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY OR BY THE OFFICERS OF THE REAL ESTATE INVESTMENT TRUST.

(4) (I) THE REAL ESTATE INVESTMENT TRUST SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE REAL ESTATE INVESTMENT TRUST MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE ~~OTHER ENTITY~~ REAL ESTATE INVESTMENT TRUST.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(6) A PERSON REMAINS LIABLE FOR ANY OBLIGATION INCURRED BY THE OTHER ENTITY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT THAT THE PERSON WOULD HAVE BEEN LIABLE IF THE CONVERSION HAD NOT OCCURRED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS SHARES OF BENEFICIAL INTEREST IN THE REAL ESTATE INVESTMENT TRUST.

8-705.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) SHARES OF BENEFICIAL INTEREST OF THE REAL ESTATE INVESTMENT TRUST OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF ANY OTHER REAL ESTATE INVESTMENT TRUST OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

(B) IN A CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY, SHARES OF BENEFICIAL INTEREST OF THE REAL ESTATE INVESTMENT TRUST MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE REAL ESTATE INVESTMENT TRUST IS CONVERTED OR OF ANY OTHER REAL ESTATE

INVESTMENT TRUST OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

- (2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;
- (3) MONEY; AND
- (4) ANY OTHER CONSIDERATION.

8-706.

(A) THE CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST SHALL BE COMPLETED ON THE LATER OF:

(1) THE FORMATION OF THE REAL ESTATE INVESTMENT TRUST IN ACCORDANCE WITH THIS TITLE; OR

(2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(B) THE CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION ARE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION AS SET FORTH IN ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A REAL ESTATE INVESTMENT TRUST;

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 8-704 OF THIS SUBTITLE; AND

3. THE REAL ESTATE INVESTMENT TRUST SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THE MARYLAND REIT LAW.

(II) THE EXISTENCE OF THE REAL ESTATE INVESTMENT TRUST SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED ITS EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 8-704 OF THIS SUBTITLE.

8-707.

(A) UNLESS THE DECLARATION OF TRUST OF THE REAL ESTATE INVESTMENT TRUST OR ARTICLES OF CONVERSION PROVIDE OTHERWISE, THE PROPOSED CONVERSION OF A REAL ESTATE INVESTMENT TRUST TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE ARTICLES OF CONVERSION BY MAJORITY VOTE OF THE ENTIRE BOARD OF TRUSTEES OF THE REAL ESTATE INVESTMENT TRUST PARTY TO THE ARTICLES OF CONVERSION.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, THE PROPOSED CONVERSION OF AN OTHER ENTITY TO A REAL ESTATE INVESTMENT TRUST MAY BE ABANDONED IN THE MANNER AND BY THE VOTE REQUIRED BY THE GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 8-702 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A REAL ESTATE INVESTMENT TRUST IN CONNECTION WITH THE PROPOSED CONVERSION.

SUBTITLE 12. CONVERSIONS OF PARTNERSHIPS.

9A-1201.

(A) IN THIS SUBTITLE, "OTHER ENTITY" MEANS:

(1) A MARYLAND CORPORATION INCORPORATED UNDER TITLE 2 OF THIS ARTICLE;

(2) A FOREIGN CORPORATION, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(3) A DOMESTIC LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(4) A FOREIGN LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(5) A LIMITED PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER § 10-805 OF THIS ARTICLE;

(6) A FOREIGN LIMITED PARTNERSHIP;

(7) A BUSINESS TRUST, AS DEFINED IN § 1-101 OF THIS ARTICLE;
OR

(8) ANOTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION, OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY.

(B) UNLESS THE PARTNERSHIP AGREEMENT PROVIDES OTHERWISE, A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 9A-1202 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

(C) BEFORE A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE MAY CONVERT TO AN OTHER ENTITY IN ACCORDANCE WITH THIS SUBTITLE, THE PARTNERSHIP SHALL FILE OR HAVE FILED FOR RECORD WITH THE DEPARTMENT:

(1) A STATEMENT OF AUTHORITY IN ACCORDANCE WITH § 9A-303 OF THIS TITLE; OR

(2) A CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP IN ACCORDANCE WITH § 9A-1001 OF THIS TITLE.

(D) AN OTHER ENTITY MAY CONVERT TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE BY COMPLYING WITH THE REQUIREMENTS OF § 9A-1202 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED BY AT LEAST TWO PARTNERS; AND

(2) A STATEMENT OF PARTNERSHIP AUTHORITY THAT COMPLIES WITH § 9A-303 OF THIS TITLE EXECUTED IN THE MANNER REQUIRED BY § 9A-105(B) OF THIS TITLE OR, IN THE CASE OF THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY PARTNERSHIP, A CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP THAT COMPLIES WITH § 9A-1001 OF THIS TITLE.

(E) THE STATUTORY CONVERSION PROVISIONS OF THIS SUBTITLE DO NOT PRECLUDE A PARTNERSHIP FROM BEING CONVERTED OR MERGED BY AGREEMENT OR BY OPERATION OF LAW.

9A-1202.

(A) A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE SHALL APPROVE THE CONVERSION OF THE PARTNERSHIP TO AN OTHER ENTITY BY THE AFFIRMATIVE VOTE OF ALL OF ITS PARTNERS, OR A LESSER NUMBER OR PERCENTAGE SPECIFIED FOR CONVERSION IN ITS PARTNERSHIP AGREEMENT.

(B) AN OTHER ENTITY SEEKING TO CONVERT TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE SHALL:

(1) APPROVE THE CONVERSION OF THE OTHER ENTITY TO THE PARTNERSHIP IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE WHERE IT IS INCORPORATED OR ORGANIZED; AND

(2) COMPLY WITH ALL OTHER REQUIREMENTS FOR THE FORMATION OF A PARTNERSHIP UNDER THE LAWS OF THIS STATE.

(c) (1) A ~~MEMBER~~ PARTNER OF A PARTNERSHIP OBJECTING TO A CONVERSION OF THE PARTNERSHIP HAS THE SAME RIGHTS WITH RESPECT TO THE PARTNER'S INTEREST IN THE PARTNERSHIP AS A STOCKHOLDER OF A MARYLAND CORPORATION WHO OBJECTS HAS WITH RESPECT TO THE STOCKHOLDER'S STOCK UNDER TITLE 3, SUBTITLE 2 OF THIS ARTICLE.

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

9A-1203.

(A) IN THIS SECTION, "FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION" INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING:

(i) THE PARTNERSHIP OR OTHER ENTITY, AS APPLICABLE;

(ii) THE PARTNERS, MEMBERS, DIRECTORS, TRUSTEES, OFFICERS, OR OTHER AGENTS OF THE PARTNERSHIP OR OTHER ENTITY; AND

(iii) ANY OTHER PERSON AFFILIATED WITH THE PARTNERSHIP OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE PARTNERSHIP AND THE DATE OF FILING OF ITS ORIGINAL STATEMENT OF PARTNERSHIP AUTHORITY OR CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE PARTNERSHIP WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING PARTNERSHIP INTERESTS IN THE PARTNERSHIP INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY PARTNERSHIP INTERESTS NOT TO BE SO CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(i) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(ii) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE PARTNERSHIP TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO PARTNERSHIP INTERESTS IN THE PARTNERSHIP OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME FOR THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

9A-1204.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY.

(2) THE PARTNERSHIP SHALL CEASE TO EXIST AS A PARTNERSHIP UNDER THE LAWS OF THIS STATE AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO WHICH THE PARTNERSHIP HAS CONVERTED, AND THE OTHER ENTITY, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING PARTNERSHIP.

(3) (1) ALL THE ASSETS OF THE PARTNERSHIP, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND

SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE PARTNERSHIP SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE PARTNERSHIP TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE PARTNERSHIP BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE PARTNERSHIP BY ITS LAST ACTING PARTNERS, OR BY THE APPROPRIATE AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE PARTNERSHIP.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE PARTNERSHIP MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE PARTNERSHIP CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE PARTNERSHIP.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE PARTNERS OF THE PARTNERSHIP UNDER THE ARTICLES OF CONVERSION AND TO THE RIGHTS OF AN OBJECTING PARTNER UNDER THIS SUBTITLE, THE OWNERSHIP INTERESTS OF THE PARTNERS OF THE PARTNERSHIP CEASE TO EXIST AS PARTNERSHIP INTERESTS IN THE CONVERTED PARTNERSHIP AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) (I) THE CONVERSION OF THE PARTNERSHIP TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE PARTNERSHIP OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(II) SUBJECT TO SUBTITLES 7 AND 8 OF THIS TITLE, A PARTNER OF THE PARTNERSHIP REMAINS LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE PARTNERSHIP FOR WHICH THE PARTNER WAS LIABLE BEFORE THE COMPLETION OF THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING PARTNERSHIP IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE PARTNERSHIP.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE PARTNERSHIP BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(C) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE.

(2) THE PARTNERSHIP, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (I) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE PARTNERSHIP WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE PARTNERSHIP, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE OTHER ENTITY TO A PARTNERSHIP DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE APPROPRIATE AUTHORIZED PERSONS, GENERAL PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY, OR BY THE PARTNERS OF THE PARTNERSHIP.

(4) (I) THE PARTNERSHIP SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE PARTNERSHIP OR ANY PARTY, THE PARTNERSHIP MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE PARTNERSHIP.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(6) A PARTNER OF THE PARTNERSHIP AFTER THE COMPLETION OF THE CONVERSION IS LIABLE FOR:

(I) ALL OBLIGATIONS OF THE OTHER ENTITY FOR WHICH THE PARTNER WAS PERSONALLY LIABLE BEFORE THE COMPLETION OF THE CONVERSION; AND

(II) EXCEPT AS PROVIDED IN § 9A-306(C) OF THIS TITLE, ALL OBLIGATIONS OF THE CONVERTED PARTNERSHIP INCURRED AFTER THE CONVERSION IS COMPLETED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS PARTNERSHIP INTERESTS IN THE PARTNERSHIP.

9A-1205.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) PARTNERSHIP INTERESTS IN THE PARTNERSHIP OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF AN OTHER ENTITY, WHETHER OR NOT A PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

(B) IN A CONVERSION OF A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY, PARTNERSHIP INTERESTS IN THE PARTNERSHIP MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE PARTNERSHIP IS CONVERTED OR OF AN OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

9A-1206.

(A) THE CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE SHALL BE COMPLETED ON THE LATER OF:

(1) THE FORMATION OF THE PARTNERSHIP IN ACCORDANCE WITH THIS TITLE OR, IN THE CASE OF THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE, THE FILING OF A CERTIFICATE OF LIMITED LIABILITY PARTNERSHIP THAT COMPLIES WITH § 9A-1001 OF THIS TITLE; OR

(2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(B) THE CONVERSION OF A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION SHALL BE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION AS SET FORTH IN ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP FORMED UNDER THE LAWS OF THIS STATE IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE;

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 9A-1204 OF THIS SUBTITLE; AND

3. THE PARTNERSHIP SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THIS TITLE.

(II) NOTWITHSTANDING § 9A-202 OF THIS TITLE, THE EXISTENCE OF THE PARTNERSHIP AS A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED ITS EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A PARTNERSHIP FORMED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 9A-1204 OF THIS SUBTITLE.

9A-1207.

(A) UNLESS THE PARTNERSHIP AGREEMENT OR THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF A

PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION BY THE AFFIRMATIVE VOTE OF ALL OF THE PARTNERS OF THE PARTNERSHIP, OR ANY LESSER NUMBER OR PERCENTAGE SPECIFIED FOR THE APPROVAL OF A CONVERSION IN ITS PARTNERSHIP AGREEMENT.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF AN OTHER ENTITY TO A PARTNERSHIP ORGANIZED UNDER THE LAWS OF THIS STATE MAY BE ABANDONED BEFORE THE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION IN THE MANNER AND BY THE VOTE REQUIRED BY THE GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 9A-1202 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SUBSECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A PARTY TO THE PROPOSED CONVERSION IN CONNECTION WITH THE PROPOSED CONVERSION.

10-204.

(a) Each certificate OR ARTICLES required by this subtitle to be filed with the Department shall be executed in the following manner:

(1) The certificate of limited partnership [under § 10-201 of this subtitle], ARTICLES OF CONVERSION TO A LIMITED PARTNERSHIP, AND ARTICLES OF CONVERSION TO AN OTHER ENTITY must be signed by all general partners OR, IN THE CASE OF ARTICLES OF CONVERSION TO A LIMITED PARTNERSHIP, BY ANY PERSON AUTHORIZED TO EXECUTE THE CERTIFICATE ON BEHALF OF THE OTHER ENTITY;

(2) A certificate of amendment under § 10-202 of this subtitle must be signed by at least one general partner and by each other general partner designated in the certificate of amendment as a new general partner or a withdrawing general partner;

(3) A certificate of cancellation under § 10–203 of this subtitle must be signed by all general partners, or, if there is no general partner, by a majority of the limited partners; and

(4) A certificate of reinstatement under § 10–214 of this subtitle must be signed by all general partners, or, if there is no general partner, by a majority of the limited partners.

SUBTITLE 7A. CONVERSIONS OF LIMITED PARTNERSHIPS.

10–7A–01.

(A) IN THIS SUBTITLE, “OTHER ENTITY” MEANS:

(1) A MARYLAND CORPORATION INCORPORATED UNDER TITLE 2 OF THIS ARTICLE;

(2) A FOREIGN CORPORATION, AS DEFINED IN § 1–101 OF THIS ARTICLE;

(3) A DOMESTIC LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A–101 OF THIS ARTICLE;

(4) A FOREIGN LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A–101 OF THIS ARTICLE;

(5) A PARTNERSHIP, AS DEFINED IN § 9A–101 OF THIS ARTICLE;

(6) A BUSINESS TRUST, AS DEFINED IN § 1–101 OF THIS ARTICLE;

(7) AN OTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION, OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY; OR

(8) A FOREIGN LIMITED PARTNERSHIP, INCLUDING A FOREIGN LIMITED PARTNERSHIP REGISTERED OR DENOMINATED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER THE LAWS OF A STATE OTHER THAN THIS STATE.

(B) UNLESS THE PARTNERSHIP AGREEMENT PROVIDES OTHERWISE, A LIMITED PARTNERSHIP MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 10-7A-02 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY § 10-204 OF THIS TITLE.

(C) AN OTHER ENTITY MAY CONVERT TO A LIMITED PARTNERSHIP BY COMPLYING WITH THE REQUIREMENTS OF § 10-7A-02 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY § 10-204 OF THIS TITLE; AND

(2) A CERTIFICATE OF LIMITED PARTNERSHIP THAT COMPLIES WITH § 10-201 OF THIS TITLE AND, IN THE CASE OF THE CONVERSION OF AN OTHER ENTITY TO A LIMITED LIABILITY PARTNERSHIP, § 10-805 OF THIS TITLE, EXECUTED IN THE MANNER REQUIRED BY § 10-204 OF THIS TITLE.

10-7A-02.

(A) UNLESS THE PARTNERSHIP AGREEMENT SPECIFIES THE MANNER OF AUTHORIZING A CONVERSION OF THE LIMITED PARTNERSHIP, THE LIMITED PARTNERSHIP SHALL APPROVE THE CONVERSION OF THE LIMITED PARTNERSHIP TO AN OTHER ENTITY BY THE AFFIRMATIVE VOTE OF ALL OF THE GENERAL PARTNERS AND A MAJORITY IN INTEREST OF THE LIMITED PARTNERS.

(B) AN OTHER ENTITY SEEKING TO CONVERT TO A LIMITED PARTNERSHIP SHALL APPROVE THE CONVERSION OF THE OTHER ENTITY TO A LIMITED PARTNERSHIP IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE WHERE IT IS INCORPORATED OR ORGANIZED.

(C) (1) A PARTNER OF A LIMITED PARTNERSHIP OBJECTING TO A CONVERSION OF THE LIMITED PARTNERSHIP HAS THE SAME RIGHTS WITH RESPECT TO THE PARTNER'S PARTNERSHIP INTEREST IN THE LIMITED PARTNERSHIP AS A STOCKHOLDER OF A MARYLAND CORPORATION WHO OBJECTS HAS WITH RESPECT TO THE STOCKHOLDER'S STOCK UNDER TITLE 3, SUBTITLE 2 OF THIS ARTICLE.

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

10-7A-03.

(A) IN THIS SECTION, “FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION” INCLUDES:

(1) AN ACTION OR A DETERMINATION BY ANY PERSON, INCLUDING:

(I) THE LIMITED PARTNERSHIP OR OTHER ENTITY, AS APPLICABLE:

(II) THE PARTNERS, MEMBERS, DIRECTORS, TRUSTEES, OFFICERS, OR OTHER AGENTS OF THE LIMITED PARTNERSHIP OR OTHER ENTITY; AND

(III) ANY OTHER PERSON AFFILIATED WITH THE LIMITED PARTNERSHIP OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE LIMITED PARTNERSHIP AND THE DATE OF FILING OF ITS ORIGINAL CERTIFICATE OF LIMITED PARTNERSHIP WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE LIMITED PARTNERSHIP WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING PARTNERSHIP INTERESTS IN THE LIMITED PARTNERSHIP INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY PARTNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(I) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(II) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE LIMITED PARTNERSHIP TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO PARTNERSHIP INTERESTS IN THE LIMITED PARTNERSHIP OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION

ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME FOR THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

10-7A-04.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY.

(2) THE LIMITED PARTNERSHIP SHALL CEASE TO EXIST AS A LIMITED PARTNERSHIP AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO WHICH THE PARTNERSHIP HAS CONVERTED, AND THE OTHER ENTITY, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING LIMITED PARTNERSHIP.

(3) (I) ALL THE ASSETS OF THE LIMITED PARTNERSHIP, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE LIMITED PARTNERSHIP SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE LIMITED PARTNERSHIP TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE LIMITED PARTNERSHIP BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE LIMITED PARTNERSHIP BY ITS LAST ACTING GENERAL PARTNERS, OR BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE LIMITED PARTNERSHIP.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE LIMITED PARTNERSHIP MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE LIMITED PARTNERSHIP CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE LIMITED PARTNERSHIP.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE PARTNERS OF THE LIMITED PARTNERSHIP UNDER THE ARTICLES OF CONVERSION AND TO THE RIGHTS OF AN OBJECTING PARTNER UNDER THIS SUBTITLE, THE OWNERSHIP INTERESTS OF THE PARTNERS OF THE LIMITED PARTNERSHIP CEASE TO EXIST AS PARTNERSHIP INTERESTS IN THE CONVERTED LIMITED PARTNERSHIP AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) (I) THE CONVERSION OF THE LIMITED PARTNERSHIP TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE LIMITED PARTNERSHIP OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED PRIOR TO THE COMPLETION OF THE CONVERSION.

(II) SUBJECT TO §§ 10-303 AND 10-403 OF THIS TITLE, A PARTNER OF THE LIMITED PARTNERSHIP REMAINS LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE LIMITED PARTNERSHIP FOR WHICH THE PARTNER WAS LIABLE BEFORE THE COMPLETION OF THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING LIMITED PARTNERSHIP IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE LIMITED PARTNERSHIP.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE LIMITED PARTNERSHIP BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(C) (1) THIS SUBSECTION APPLIES ON THE CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP.

(2) THE LIMITED PARTNERSHIP, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (I) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE LIMITED PARTNERSHIP WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE LIMITED PARTNERSHIP, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF THIS SUBTITLE.

(II) THE CONVERSION OF THE OTHER ENTITY TO A LIMITED PARTNERSHIP DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY, OR BY THE GENERAL PARTNERS OF THE LIMITED PARTNERSHIP.

(4) (I) THE LIMITED PARTNERSHIP SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE LIMITED PARTNERSHIP OR ANY PARTY, THE LIMITED PARTNERSHIP MAY BE SUBSTITUTED AS A PARTY, AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE LIMITED PARTNERSHIP.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE

OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED PRIOR TO THE COMPLETION OF THE CONVERSION.

(6) A PERSON REMAINS LIABLE FOR ANY OBLIGATION INCURRED BY THE OTHER ENTITY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT THAT THE PERSON WOULD HAVE BEEN LIABLE IF THE CONVERSION HAD NOT OCCURRED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS PARTNERSHIP INTERESTS IN THE LIMITED PARTNERSHIP.

10-7A-05.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) PARTNERSHIP INTERESTS IN THE LIMITED PARTNERSHIP OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF AN OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

(2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;

(3) MONEY; AND

(4) ANY OTHER CONSIDERATION.

(B) IN A CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY, PARTNERSHIP INTERESTS IN THE LIMITED PARTNERSHIP MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE LIMITED PARTNERSHIP IS CONVERTED OR OF AN OTHER ENTITY, WHETHER OR NOT A PARTY TO THE CONVERSION;

- (2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;
- (3) MONEY; AND
- (4) ANY OTHER CONSIDERATION.

10-7A-06.

(A) THE CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP SHALL BE COMPLETED ON THE LATER OF:

(1) THE FORMATION OF THE LIMITED PARTNERSHIP IN ACCORDANCE WITH THIS TITLE; OR

(2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(B) THE CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION SHALL BE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION SET FORTH IN THE ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A LIMITED PARTNERSHIP;

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 10-7A-04 OF THIS SUBTITLE; AND

3. THE LIMITED PARTNERSHIP SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THIS TITLE.

(ii) NOTWITHSTANDING § 10-201 OF THIS TITLE, THE EXISTENCE OF THE LIMITED PARTNERSHIP AS A DOMESTIC LIMITED PARTNERSHIP SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED ITS EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 10-7A-04 OF THIS SUBTITLE.

10-7A-07.

(A) UNLESS THE PARTNERSHIP AGREEMENT OR THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF A LIMITED PARTNERSHIP TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION BY A VOTE OF THE MAJORITY OF THE GENERAL PARTNERS AND A MAJORITY IN INTEREST OF THE LIMITED PARTNERS OF THE LIMITED PARTNERSHIP.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, A PROPOSED CONVERSION OF AN OTHER ENTITY TO A LIMITED PARTNERSHIP MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE ARTICLES OF CONVERSION IN THE MANNER AND BY THE VOTE REQUIRED BY THE GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 10-7A-02 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A PARTY TO THE PROPOSED CONVERSION IN CONNECTION WITH THE PROPOSED CONVERSION.

SUBTITLE 10. CONVERSIONS OF STATUTORY TRUSTS.

12-1001.**(A) IN THIS SUBTITLE, “OTHER ENTITY” MEANS:**

(1) A MARYLAND CORPORATION INCORPORATED UNDER TITLE 2 OF THIS ARTICLE;

(2) A FOREIGN CORPORATION, AS DEFINED IN § 1-101 OF THIS ARTICLE;

(3) A DOMESTIC LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(4) A FOREIGN LIMITED LIABILITY COMPANY, AS DEFINED IN § 4A-101 OF THIS ARTICLE;

(5) A PARTNERSHIP, AS DEFINED IN § 9A-101(I) OF THIS ARTICLE;

(6) A LIMITED PARTNERSHIP, AS DEFINED IN § 10-101 OF THIS ARTICLE, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP UNDER § 10-805 OF THIS ARTICLE;

(7) A FOREIGN LIMITED PARTNERSHIP AS DEFINED IN § 10-101 OF THIS ARTICLE;

(8) A BUSINESS TRUST, AS DEFINED IN § 1-101 OF THIS ARTICLE, EXCLUDING A STATUTORY TRUST; OR

(9) ANOTHER FORM OF UNINCORPORATED BUSINESS FORMED UNDER THE LAWS OF THIS STATE OR THE LAWS OF THE UNITED STATES, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION OR DISTRICT OF THE UNITED STATES, OR A FOREIGN COUNTRY.

(B) EXCEPT AS PROVIDED IN ITS GOVERNING INSTRUMENT, A STATUTORY TRUST MAY CONVERT TO AN OTHER ENTITY BY:

(1) APPROVING THE CONVERSION IN ACCORDANCE WITH § 12-1002 OF THIS SUBTITLE; AND

(2) FILING FOR RECORD WITH THE DEPARTMENT ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE.

(C) AN OTHER ENTITY MAY CONVERT TO A STATUTORY TRUST BY COMPLYING WITH § 12-1002 OF THIS SUBTITLE AND FILING FOR RECORD WITH THE DEPARTMENT:

(1) ARTICLES OF CONVERSION EXECUTED IN THE MANNER REQUIRED BY TITLE 1 OF THIS ARTICLE; AND

(2) A CERTIFICATE OF TRUST, WHICH SHALL INCLUDE THE NAME OF THE CONVERTING OTHER ENTITY, EXECUTED IN THE MANNER REQUIRED BY § 12-204 OF THIS TITLE AND OTHERWISE COMPLYING WITH THIS TITLE.

12-1002.

(A) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT, A CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY SHALL BE APPROVED BY A MAJORITY OF THE TRUSTEES AND BY THE BENEFICIAL OWNERS BY THE AFFIRMATIVE VOTE OF TWO-THIRDS OF ALL THE VOTES ENTITLED TO BE CAST ON THE MATTER.

(B) A CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST SHALL BE APPROVED IN THE MANNER AND BY THE VOTE REQUIRED BY ITS GOVERNING DOCUMENT AND THE LAWS OF THE PLACE WHERE IT IS INCORPORATED OR ORGANIZED.

12-1003.

(A) IN THIS SECTION, “FACTS ASCERTAINABLE OUTSIDE THE ARTICLES OF CONVERSION” INCLUDES:

(1) AN ACTION OR DETERMINATION BY ANY PERSON, INCLUDING:

(i) THE STATUTORY TRUST OR OTHER ENTITY, AS APPLICABLE;

(ii) THE TRUSTEES, DIRECTORS, PARTNERS, MEMBERS, OFFICERS, OR OTHER AGENTS OF THE STATUTORY TRUST OR OTHER ENTITY; AND

(iii) ANY OTHER PERSON AFFILIATED WITH THE STATUTORY TRUST OR OTHER ENTITY; AND

(2) ANY OTHER EVENT.

(B) ARTICLES OF CONVERSION SHALL BE FILED FOR RECORD WITH THE DEPARTMENT.

(C) IN A CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE STATUTORY TRUST AND THE DATE OF FILING OF ITS ORIGINAL CERTIFICATE OF TRUST WITH THE DEPARTMENT;

(2) THE NAME OF THE OTHER ENTITY TO WHICH THE STATUTORY TRUST WILL BE CONVERTED AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ISSUED BENEFICIAL INTERESTS OF THE STATUTORY TRUST INTO SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY ISSUED BENEFICIAL INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE OF THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION;

(6) IF THE OTHER ENTITY IS NOT ORGANIZED UNDER THE LAWS OF THIS STATE:

(I) THE LOCATION OF THE PRINCIPAL OFFICE IN THE PLACE WHERE IT IS ORGANIZED; AND

(II) THE NAME AND ADDRESS OF THE RESIDENT AGENT IN THIS STATE; AND

(7) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(D) IN A CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST, THE ARTICLES OF CONVERSION SHALL SET FORTH:

(1) THE NAME OF THE OTHER ENTITY, THE DATE ON WHICH THE OTHER ENTITY WAS FIRST CREATED, AND THE PLACE OF INCORPORATION OR ORGANIZATION OF THE OTHER ENTITY;

(2) THE NAME OF THE STATUTORY TRUST TO WHICH THE OTHER ENTITY WILL BE CONVERTED;

(3) A STATEMENT THAT THE CONVERSION HAS BEEN APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE;

(4) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY INTO BENEFICIAL INTERESTS OF THE STATUTORY TRUST, OR OTHER CONSIDERATION, AND THE TREATMENT OF ANY OUTSTANDING SHARES OF STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS NOT TO BE CONVERTED OR EXCHANGED, ANY OF WHICH MAY BE MADE DEPENDENT ON FACTS ASCERTAINABLE OUTSIDE OF THE ARTICLES OF CONVERSION;

(5) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE ARTICLES OF CONVERSION, IF THE ARTICLES OF CONVERSION ARE NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD OF THE ARTICLES OF CONVERSION; AND

(6) ANY OTHER PROVISION NECESSARY TO EFFECT THE CONVERSION.

(E) THE ARTICLES OF CONVERSION MAY CONTAIN A FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION THAT IS NOT LATER THAN 30 DAYS AFTER THE ARTICLES OF CONVERSION ARE ACCEPTED FOR RECORD.

12-1004.

(A) A CONVERSION HAS THE EFFECTS PROVIDED IN THIS SECTION.

(B) (1) THIS SUBSECTION APPLIES ON THE COMPLETION OF THE CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY.

(2) THE STATUTORY TRUST SHALL CEASE TO EXIST AS A STATUTORY TRUST AND SHALL CONTINUE TO EXIST AS THE OTHER ENTITY INTO

WHICH THE STATUTORY TRUST HAS CONVERTED, AND THE OTHER ENTITY, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING STATUTORY TRUST.

(3) (I) ALL THE ASSETS OF THE STATUTORY TRUST, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, SHALL VEST IN AND DEVOLVE ON THE OTHER ENTITY WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE OTHER ENTITY, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE STATUTORY TRUST SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(II) THE CONVERSION OF THE STATUTORY TRUST TO AN OTHER ENTITY DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE STATUTORY TRUST BEFORE THE CONVERSION.

(III) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE STATUTORY TRUST BY ITS LAST ACTING TRUSTEES OR OFFICERS, OR BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR MEMBERS OF THE OTHER ENTITY.

(4) (I) THE OTHER ENTITY SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE STATUTORY TRUST.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE STATUTORY TRUST MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE OTHER ENTITY MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE STATUTORY TRUST CONSTITUTES A LIEN ON THE PROPERTY OF THE OTHER ENTITY.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS ON THE PROPERTY OF THE STATUTORY TRUST.

(5) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE BENEFICIAL OWNERS OF THE STATUTORY TRUST UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE BENEFICIAL OWNERS OF THE STATUTORY TRUST SHALL CEASE TO EXIST AS BENEFICIAL INTERESTS OF THE STATUTORY TRUST AND CONTINUE TO EXIST AS OWNERSHIP INTERESTS IN THE OTHER ENTITY.

(6) THE CONVERSION OF THE STATUTORY TRUST TO AN OTHER ENTITY IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE STATUTORY TRUST OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE CONVERSION.

(7) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF CONVERSION, THE CONVERTING STATUTORY TRUST IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS, AND THE CONVERSION DOES NOT CONSTITUTE DISSOLUTION OR A TRANSFER OF ASSETS OR LIABILITIES OF THE STATUTORY TRUST.

(8) A PERSON BECOMES LIABLE FOR ANY OBLIGATION INCURRED BY THE STATUTORY TRUST BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT PROVIDED FOR BY THE LAWS APPLICABLE TO THE OTHER ENTITY.

(c) (1) THIS SUBSECTION APPLIES ON THE COMPLETION OF THE CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST.

(2) THE STATUTORY TRUST, FOR ALL PURPOSES OF THE LAWS OF THIS STATE, SHALL BE DEEMED TO BE THE SAME ENTITY AS THE CONVERTING OTHER ENTITY.

(3) (i) ALL THE ASSETS OF THE OTHER ENTITY, INCLUDING ANY LEGACIES THAT IT WOULD HAVE BEEN CAPABLE OF TAKING, VEST IN AND DEVOLVE ON THE STATUTORY TRUST WITHOUT FURTHER ACT OR DEED AND SHALL BE THE PROPERTY OF THE STATUTORY TRUST, AND THE TITLE TO ANY REAL PROPERTY VESTED BY DEED OR OTHERWISE IN THE OTHER ENTITY SHALL NOT REVERT OR BE IN ANY WAY IMPAIRED BY REASON OF A CONVERSION UNDER THIS SUBTITLE.

(ii) THE CONVERSION OF THE OTHER ENTITY TO A STATUTORY TRUST DOES NOT AFFECT, INVALIDATE, TERMINATE, SUSPEND, OR NULLIFY ANY LICENSES, PERMITS, OR REGISTRATIONS GRANTED TO THE OTHER ENTITY BEFORE THE CONVERSION.

(iii) CONFIRMATORY DEEDS, ASSIGNMENTS, OR SIMILAR INSTRUMENTS TO EVIDENCE THE CONVERSION MAY BE EXECUTED AND DELIVERED AT ANY TIME IN THE NAME OF THE OTHER ENTITY BY THE APPROPRIATE AUTHORIZED PERSONS, PARTNERS, OFFICERS, TRUSTEES, OR

MEMBERS OF THE OTHER ENTITY, OR BY THE TRUSTEES OR OFFICERS OF THE STATUTORY TRUST.

(4) (I) THE STATUTORY TRUST SHALL BE LIABLE FOR ALL THE DEBTS AND OBLIGATIONS OF THE OTHER ENTITY.

(II) AN EXISTING CLAIM, ACTION, OR PROCEEDING PENDING BY OR AGAINST THE OTHER ENTITY MAY BE PROSECUTED TO JUDGMENT AS IF THE CONVERSION HAD NOT TAKEN PLACE, OR, ON MOTION OF THE OTHER ENTITY OR ANY PARTY, THE STATUTORY TRUST MAY BE SUBSTITUTED AS A PARTY AND A JUDGMENT AGAINST THE OTHER ENTITY CONSTITUTES A LIEN ON THE PROPERTY OF THE ~~OTHER ENTITY~~ STATUTORY TRUST.

(III) A CONVERSION DOES NOT IMPAIR THE RIGHTS OF CREDITORS OR ANY LIENS OF THE PROPERTY OF THE OTHER ENTITY.

(5) THE CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST IN ACCORDANCE WITH ARTICLES OF CONVERSION UNDER THIS SUBTITLE DOES NOT AFFECT ANY DEBTS, OBLIGATIONS, OR LIABILITIES OF THE OTHER ENTITY OR THE PERSONAL LIABILITY OF ANY PERSON INCURRED BEFORE THE COMPLETION OF THE CONVERSION.

(6) A PERSON REMAINS LIABLE FOR ANY OBLIGATION INCURRED BY THE OTHER ENTITY BEFORE THE COMPLETION OF THE CONVERSION ONLY TO THE EXTENT THAT THE PERSON WOULD HAVE BEEN LIABLE IF THE CONVERSION HAD NOT OCCURRED.

(7) SUBJECT TO THE TREATMENT OF THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY UNDER THE ARTICLES OF CONVERSION, THE OWNERSHIP INTERESTS OF THE OWNERS OF THE OTHER ENTITY CEASE TO EXIST AS OWNERSHIP INTERESTS IN THE CONVERTED OTHER ENTITY AND CONTINUE TO EXIST AS BENEFICIAL INTERESTS IN THE STATUTORY TRUST.

12-1005.

(A) IN A CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST, THE STOCK, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) BENEFICIAL INTERESTS OF THE STATUTORY TRUST OR STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP

INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF ANY OTHER STATUTORY TRUST OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

- (2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;**
- (3) MONEY; AND**
- (4) ANY OTHER CONSIDERATION.**

(B) IN A CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY, BENEFICIAL INTERESTS OF THE STATUTORY TRUST MAY BE EXCHANGED FOR OR CONVERTED INTO ANY ONE OR MORE OF THE FOLLOWING:

(1) STOCK, EVIDENCE OF INDEBTEDNESS, MEMBERSHIP INTERESTS, PARTNERSHIP INTERESTS, BENEFICIAL INTERESTS, OR OTHER OWNERSHIP INTERESTS OF THE OTHER ENTITY TO WHICH THE STATUTORY TRUST IS CONVERTED OR OF ANY OTHER STATUTORY TRUST OR OTHER ENTITY, WHETHER OR NOT PARTY TO THE CONVERSION;

- (2) OTHER TANGIBLE OR INTANGIBLE PROPERTY;**
- (3) MONEY; AND**
- (4) ANY OTHER CONSIDERATION.**

12-1006.

(A) THE CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST SHALL BE COMPLETED ON THE LATER OF:

- (1) THE FORMATION OF THE STATUTORY TRUST IN ACCORDANCE WITH THIS TITLE; OR**
- (2) THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.**

(B) THE CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY SHALL BE COMPLETED ON THE EFFECTIVENESS OF ARTICLES OF CONVERSION FILED FOR RECORD WITH THE DEPARTMENT.

(C) ARTICLES OF CONVERSION ARE EFFECTIVE ON THE LATER OF:

(1) THE TIME THE DEPARTMENT ACCEPTS THE ARTICLES OF CONVERSION FOR RECORD; OR

(2) THE FUTURE EFFECTIVE TIME OF THE ARTICLES OF CONVERSION AS SET FORTH IN ARTICLES OF CONVERSION THAT HAVE BEEN ACCEPTED BY THE DEPARTMENT FOR RECORD.

(D) (1) (I) EXCEPT AS PROVIDE IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, AT THE TIME THE CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST IS COMPLETED:

1. THE OTHER ENTITY SHALL BE CONVERTED TO A STATUTORY TRUST:

2. THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 12-1004 OF THIS SUBTITLE; AND

3. THE STATUTORY TRUST SHALL BE SUBJECT TO ALL OF THE PROVISIONS OF THE MARYLAND STATUTORY TRUST ACT.

(II) NOTWITHSTANDING § 12-204 OF THIS TITLE, THE EXISTENCE OF THE STATUTORY TRUST SHALL BE DEEMED TO HAVE COMMENCED ON THE DATE THE OTHER ENTITY COMMENCED EXISTENCE IN THE PLACE IN WHICH THE OTHER ENTITY WAS FIRST INCORPORATED, CREATED, FORMED, OR OTHERWISE CAME INTO BEING.

(2) AT THE TIME THE CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY IS COMPLETED, THE CONVERSION SHALL HAVE THE EFFECTS SET FORTH IN § 12-1004 OF THIS SUBTITLE.

12-1007.

(A) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT, UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, THE PROPOSED CONVERSION OF A STATUTORY TRUST TO AN OTHER ENTITY MAY BE ABANDONED BEFORE THE EFFECTIVE DATE OF THE ARTICLES OF CONVERSION BY MAJORITY VOTE OF THE TRUSTEES OF THE STATUTORY TRUST.

(B) UNLESS THE ARTICLES OF CONVERSION PROVIDE OTHERWISE, THE PROPOSED CONVERSION OF AN OTHER ENTITY TO A STATUTORY TRUST MAY BE ABANDONED IN THE MANNER AND BY THE VOTE REQUIRED BY THE GOVERNING DOCUMENT OF THE OTHER ENTITY AND THE LAWS OF THE PLACE IN WHICH IT IS INCORPORATED OR ORGANIZED OR, IF NO MANNER AND VOTE IS SPECIFIED, IN

THE MANNER AND BY THE VOTE REQUIRED TO APPROVE THE CONVERSION UNDER § 12-1002 OF THIS SUBTITLE.

(C) IF THE ARTICLES OF CONVERSION HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(D) (1) IF THE PROPOSED CONVERSION IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES OF CONVERSION.

(2) ABANDONMENT OF A CONVERSION UNDER THIS SECTION DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A STATUTORY TRUST PARTY TO THE PROPOSED CONVERSION IN CONNECTION WITH THE PROPOSED CONVERSION.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2013.

Approved by the Governor, May 16, 2013.