

Chapter 611

(Senate Bill 784)

AN ACT concerning

Maryland Statutory Trust Act

FOR the purpose of clarifying and revising the Maryland Business Trust Act and renaming it to be the Maryland Statutory Trust Act; providing that a use of a certain designation or statement in a certain certificate of trust or governing instrument does not create a certain presumption or inference; providing for the construction of certain provisions of this Act; clarifying that a statutory trust has certain general powers under certain circumstances; clarifying the requirements for, and time at which, a statutory trust is formed; providing for the restatement of a certificate of trust under certain circumstances; providing for the execution and effective time of certain documents; clarifying that a governing instrument of a statutory trust may contain certain provisions relating to the nature and division of beneficial interests in the statutory trust, the rights of certain persons, amendments to the governing instrument, and actions by or on behalf of the statutory trust in the event there are no trustees; clarifying that a statutory trust is not required to execute its governing instrument and that it is bound by its governing instrument; clarifying that a beneficial owner or trustee of a statutory trust is bound by the statutory trust's governing instrument; clarifying the types of consideration that may be contributed for a beneficial interest in a statutory trust; clarifying and altering the powers of a statutory trust to indemnify and hold harmless, and to pay or reimburse certain expenses incurred by, certain persons; altering the circumstances under which certain records of a statutory trust may be inspected and copied; clarifying that, except as provided in the governing instrument of a statutory trust, meetings of beneficial owners or trustees may be held in a certain manner, beneficial owners or trustees may vote or consent to a certain action in a certain manner, and certain actions must be approved by the beneficial owners or trustees by a certain percentage of votes; clarifying certain powers, duties, and liabilities of the trustees of a statutory trust; providing that a governing instrument may not eliminate the duty of a trustee to perform the trustee's duties in good faith; providing for certain limits on the duties of a trustee; providing that no creditor of a trustee shall have the right to exercise any legal or equitable remedy with respect to certain property under certain circumstances; providing that a trustee of a certain statutory trust shall be deemed to be independent and disinterested when making a certain determination or taking certain action; providing that certain persons, in the governing instrument of a statutory trust or other writing, may consent to be subject to certain jurisdiction or arbitration and to be served with legal process in a certain manner; altering the vote by which the trustees of a statutory trust

must approve a merger or consolidation; altering certain requirements for articles of merger or consolidation; establishing that, subject to the Maryland Constitution, certain laws govern the organization, internal affairs, and liability of the trustees of a foreign statutory trust, and a foreign statutory trust may not be denied registration under certain circumstances; requiring a foreign statutory trust to register with the State Department of Assessments and Taxation before doing certain business in the State; establishing certain requirements for registration; prohibiting a foreign statutory trust from doing any kind of business in the State that a domestic statutory trust is prohibited from doing under the laws of the State; authorizing a foreign statutory trust to cancel its registration in a certain manner; establishing certain penalties for failing to register with the Department and for transacting certain business on behalf of a foreign statutory trust that has not registered with the Department; authorizing the Attorney General to bring a certain action; specifying certain actions that do and do not constitute doing business in the State; providing that by doing certain business in the State a foreign statutory trust assents to the laws of the State; providing for a merger of a foreign statutory trust; providing for the forfeiture of the right of a foreign statutory trust to do business in the State; defining certain terms; altering and repealing certain definitions; making certain conforming and stylistic changes; and generally relating to statutory trusts.

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 12–101 through 12–610, 12–801 through 12–803, and 12–805 through 12–810 to be under the amended title “Title 12. Statutory Trusts”

Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

BY adding to

Article – Corporations and Associations

Section 12–101.1, 12–105, 12–306, 12–404, 12–405, and 12–611; and 12–901 through 12–912 to be under the new subtitle “Subtitle 9. Foreign Statutory Trusts”

Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, without amendments,

Article – Corporations and Associations

Section 12–701 and 12–804

Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,

Article 1 – Rules of Interpretation

Section 15

Annotated Code of Maryland
(2005 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article 66B – Land Use
Section 14.09(c)(4)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 4–401(i)
Annotated Code of Maryland
(2004 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 1–201(28) and 8–103(a)
Annotated Code of Maryland
(2002 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Commercial Law
Section 11–201(f), 11–301(j), 11–401(d), 11–501(f), 11–601(g), 11–701(c),
11–801(d), 11–901, 11–1101(d), 11–1201(d), 12–101(g), 12–301(f),
12–401(h), 12–501(k), 12–601(q), 12–701(f), 12–801(f), 12–901(f)(1),
12–1001(g)(1), 13–101(h), 14–101(d), 14–201(d), 14–301(e), 14–401(f),
14–501(d), 14–601(c), 14–701(d), 14–801(b), 14–901(i), 14–1001(d),
14–1201(j), 14–1301(c), 14–1901(g), 14–2801(d), 14–3401(c), 14–3601(h),
15–102(a)(2), 15–301(e), 16–101(d), 17–101(e) and (l), 18–101(e),
21–101(m), and 22–102(a)(51)
Annotated Code of Maryland
(2005 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 1–101, 1–203(b)(3)(ii), 1–301(a), 3–101(b), 3–102(a)(3), 4A–101,
8–103(a), 8–501.1(a) and (c)(1), 9A–101(n), (o), and (p), 9A–902(c), and
10–208(a)
Annotated Code of Maryland
(2007 Replacement Volume and 2009 Supplement)

BY adding to
Article – Corporations and Associations
Section 9A–101(n) and (q) and 9A–902(h) and (i)
Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 9–401(d)
Annotated Code of Maryland
(2006 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Criminal Law
Section 8–213(f)
Annotated Code of Maryland
(2002 Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Environment
Section 1–801(h)
Annotated Code of Maryland
(2007 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 9–201(i), 11–102(b)(10), 15–201(d), 15–301(f), 15–401(g), and 15–501(j)
Annotated Code of Maryland
(2001 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Family Law
Section 9.5–101(m) and 10–301(o)
Annotated Code of Maryland
(2006 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 5–401(b) and (d), 8–101(b), 11–101(a)(4), 11–201(e), 11–401(h), and
11–501(p)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 5–608(a)(3)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property
Section 2–122(a)(3), 7–109(a)(2), and 10–501(h)
Annotated Code of Maryland
(2003 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10–102.1(a)(4)(iv) and (7)(iv)
Annotated Code of Maryland
(2004 Replacement Volume and 2009 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 11–101(a)
Annotated Code of Maryland
(2007 Replacement Volume and 2009 Supplement)

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

Article – Corporations and Associations

Title 12. [Business] **STATUTORY** Trusts.

12–101.

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

(b) “Beneficial owner” means any owner **OF RECORD** of a beneficial interest in a [business] **STATUTORY** trust, the fact of ownership to be determined and evidenced, whether by means of registration, the issuance of certificates or otherwise, in conformity to the applicable provisions of the governing instrument of the [business] **STATUTORY** trust.

[(c) (1) “Business trust” means an unincorporated business, trust, or association that:

(i) Is created by a governing instrument under which:

1. Property is or will be held, managed, administered, controlled, invested, reinvested, or operated by a trustee for the benefit of persons as are or may become entitled to a beneficial interest in the trust property; or

2. Business or professional activities for profit are carried on or will be carried on by a trustee for the benefit of persons as are or may become entitled to a beneficial interest in the trust property; and

(ii) Files a certificate of trust under § 12–204 of this title.

(2) “Business trust” includes:

(i) A trust of the type known at common law as a “business trust” or “Massachusetts trust”; or

(ii) A trust qualifying as a real estate mortgage investment conduit under Section 860D of the United States Internal Revenue Code of 1986, as amended, or under any successor provision.

(3) “Business trust” does not include a trust organized as a real estate investment trust under Title 8 of this article.

(d) “Foreign limited liability company” has the meaning stated in § 4A–101(j) of this article.

(e) “Foreign limited partnership” has the meaning stated in § 10–101(f) of this article.]

(C) “FOREIGN BUSINESS ENTITY” MEANS:

(1) A FOREIGN STATUTORY TRUST; OR

(2) A CORPORATION, GENERAL OR LIMITED PARTNERSHIP, COMMON–LAW TRUST, LIMITED LIABILITY COMPANY, REAL ESTATE INVESTMENT TRUST, LIMITED LIABILITY COMPANY, OR ANY OTHER UNINCORPORATED BUSINESS FORMED, ORGANIZED, OR EXISTING UNDER THE LAWS OF ANOTHER STATE, THE UNITED STATES, A FOREIGN COUNTRY, OR OTHER FOREIGN JURISDICTION.

(D) “FOREIGN STATUTORY TRUST” MEANS A TRUST THAT IS:

(1) FORMED UNDER THE LAWS OF ANOTHER STATE, THE UNITED STATES, A FOREIGN COUNTRY, OR OTHER FOREIGN JURISDICTION; AND

(2) REQUIRED BY THE LAWS OF THE JURISDICTION IN WHICH IT IS FORMED TO FILE A RECORD WITH A PUBLIC OFFICIAL IN THAT JURISDICTION.

[(f)] (E) “Governing instrument” means a DECLARATION OF TRUST OR OTHER trust instrument which [creates a business trust and] provides for the governance of the affairs of [the business] A STATUTORY trust and the conduct of its business.

[(g)] (F) (1) “Other business entity” means a corporation, a general or limited partnership, a common-law trust, a limited liability company, a real estate investment trust [or corporation], or any other unincorporated business.

(2) “Other business entity” does not include a [business] **STATUTORY** trust.

[(h)] (G) “Person” means a natural person, partnership, limited partnership, limited liability company, trust, estate, association, corporation, custodian, nominee, or any other individual or entity in its own or any representative capacity.

(H) (1) “STATUTORY TRUST” MEANS AN UNINCORPORATED BUSINESS, TRUST, OR ASSOCIATION THAT IS:

(I) FORMED BY FILING AN INITIAL CERTIFICATE OF TRUST UNDER § 12-204 OF THIS TITLE; AND

(II) GOVERNED BY A GOVERNING INSTRUMENT.

(2) “STATUTORY TRUST” INCLUDES A TRUST FORMED UNDER THIS TITLE ON OR BEFORE MAY 31, 2010, AS A BUSINESS TRUST, AS THE TERM BUSINESS TRUST WAS THEN DEFINED IN THIS TITLE.

(i) (1) “Trustee” means the person appointed as a trustee in accordance with the governing instrument of a [business] STATUTORY trust.

(2) “Trustee” may include a beneficial owner of a [business] STATUTORY trust.

12-101.1.

THE USE OF THE DESIGNATION “BUSINESS TRUST” OR A STATEMENT IN A CERTIFICATE OF TRUST OR GOVERNING INSTRUMENT EXECUTED ON OR BEFORE MAY 31, 2010, TO THE EFFECT THAT A TRUST IS OR WILL QUALIFY AS A MARYLAND BUSINESS TRUST WITHIN THE MEANING OF OR IN ACCORDANCE WITH THIS TITLE MAY NOT CREATE A PRESUMPTION OR AN INFERENCE THAT THE TRUST IS A BUSINESS TRUST FOR PURPOSES OF TITLE 11 OF THE UNITED STATES CODE.

12-102.

(a) Except [to the extent otherwise] **AS** provided in the governing instrument of a [business] **STATUTORY** trust or in this title, the laws of this State pertaining to trusts are hereby made applicable to [business] **STATUTORY** trusts.

(b) For purposes of any tax imposed by the Tax – General Article, a [business] **STATUTORY** trust shall be classified as a corporation, an association, a partnership, a trust, or otherwise, as shall be determined under the United States Internal Revenue Code of 1986, as amended, or under any successor provision.

(c) Any [business] **STATUTORY** trust qualifying as a real estate mortgage investment conduit under [Section] § 860D of the Internal Revenue Code or any successor provision shall be exempt from income tax except **WITH RESPECT TO** that portion of its income that is subject to federal income tax.

12–103.

A [business] **STATUTORY** trust established in accordance with the provisions of this title is a separate legal entity.

12–104.

This title may be cited as the “Maryland [Business] **STATUTORY** Trust Act”.

12–105.

(A) THIS TITLE SHALL BE LIBERALLY CONSTRUED TO GIVE MAXIMUM EFFECT TO THE PRINCIPLE OF FREEDOM OF CONTRACT AND TO THE ENFORCEABILITY OF GOVERNING INSTRUMENTS.

(B) THE PRESUMPTION THAT A CIVIL STATUTE IN DEROGATION OF THE COMMON LAW IS CONSTRUED STRICTLY DOES NOT APPLY TO THIS TITLE.

12–201.

(a) Except as provided in subsection (b) of this section, a [business] **STATUTORY** trust may carry on any lawful business for any purposes.

(b) A [business] **STATUTORY** trust may not carry on the business of:

- (1) Granting policies of insurance or assuming insurance risks; or
- (2) Banking.

(C) EXCEPT AS PROVIDED IN ITS CERTIFICATE OF TRUST OR GOVERNING INSTRUMENT, A STATUTORY TRUST HAS THE GENERAL POWERS, WHETHER OR NOT THE GENERAL POWERS ARE SET FORTH IN ITS CERTIFICATE OF TRUST OR GOVERNING INSTRUMENT, TO:

- (1) SUE, BE SUED, COMPLAIN, AND DEFEND IN ALL COURTS;**
- (2) HAVE, USE, ALTER, OR ABANDON A TRUST SEAL;**
- (3) TRANSACT ITS BUSINESS, CARRY ON ITS OPERATIONS, AND EXERCISE THE POWERS GRANTED BY THIS ARTICLE IN ANY STATE, TERRITORY, DISTRICT, AND POSSESSION OF THE UNITED STATES AND IN ANY FOREIGN COUNTRY;**
- (4) MAKE CONTRACTS AND GUARANTEES, INCUR LIABILITIES, AND BORROW MONEY;**
- (5) SELL, LEASE, EXCHANGE, TRANSFER, CONVEY, MORTGAGE, PLEDGE, AND OTHERWISE DISPOSE OF ANY OR ALL OF ITS ASSETS;**
- (6) ISSUE BONDS, NOTES, AND OTHER OBLIGATIONS AND SECURE THE OBLIGATIONS BY MORTGAGE OR DEED OF TRUST OF ANY OR ALL OF ITS ASSETS;**
- (7) ACQUIRE BY PURCHASE OR IN ANY OTHER MANNER, AND TAKE, RECEIVE, OWN, HOLD, USE, EMPLOY, IMPROVE, AND OTHERWISE DEAL WITH ANY INTEREST IN REAL OR PERSONAL PROPERTY, WHEREVER LOCATED;**
- (8) PURCHASE, TAKE, RECEIVE, SUBSCRIBE FOR, OR OTHERWISE ACQUIRE, OWN, HOLD, VOTE, USE, EMPLOY, SELL, MORTGAGE, LOAN, PLEDGE, OR OTHERWISE DISPOSE OF AND OTHERWISE USE AND DEAL IN AND WITH STOCK AND OTHER INTERESTS IN AND OBLIGATIONS OF OTHER BUSINESS ENTITIES, OTHER STATUTORY TRUSTS, AND INDIVIDUALS;**
- (9) ACQUIRE ITS OWN SHARES OF BENEFICIAL INTEREST, BONDS, NOTES, AND OTHER OBLIGATIONS AND SECURITIES;**
- (10) INVEST ITS SURPLUS FUNDS, LEND MONEY FROM TIME TO TIME IN ANY MANNER THAT MAY BE APPROPRIATE TO ENABLE THE STATUTORY TRUST TO CARRY ON ITS OPERATIONS OR FULFILL THE PURPOSES SPECIFIED IN ITS GOVERNING INSTRUMENT, AND TAKE AND HOLD REAL AND PERSONAL PROPERTY AS SECURITY FOR THE PAYMENT OF FUNDS SO INVESTED OR LOANED;**

(11) BE A PROMOTER, A PARTNER, A MEMBER, AN ASSOCIATE, OR A MANAGER OF ANY PARTNERSHIP, JOINT VENTURE, TRUST, OR OTHER ENTERPRISE;

(12) MAKE GIFTS OR CONTRIBUTIONS IN CASH, OTHER PROPERTY, OR STOCK OR OTHER SECURITIES OF THE STATUTORY TRUST TO OR FOR THE USE OF:

(I) THE UNITED STATES, THIS STATE, ANOTHER STATE OF THE UNITED STATES, A TERRITORY, POSSESSION, OR DISTRICT OF THE UNITED STATES, OR ANY INSTITUTION, AGENCY, OR POLITICAL SUBDIVISION OF ANY OF THEM; AND

(II) ANY GOVERNMENTAL OR OTHER ORGANIZATION, WHETHER INSIDE OR OUTSIDE THE UNITED STATES, FOR RELIGIOUS, CHARITABLE, SCIENTIFIC, CIVIC, PUBLIC WELFARE, LITERARY, OR EDUCATIONAL PURPOSES;

(13) ELECT ITS OFFICERS AND APPOINT ITS AGENTS, DEFINE THEIR DUTIES, DETERMINE THEIR COMPENSATION, AND ADOPT AND CARRY INTO EFFECT EMPLOYEE AND OFFICER BENEFIT PLANS;

(14) EXERCISE GENERALLY THE POWERS SET FORTH IN ITS GOVERNING INSTRUMENT AND THOSE GRANTED BY LAW; AND

(15) DO EVERY OTHER ACT NOT INCONSISTENT WITH LAW WHICH IS APPROPRIATE TO PROMOTE AND ATTAIN THE PURPOSES SET FORTH IN ITS GOVERNING INSTRUMENT.

12-202.

(a) Except [to the extent otherwise] AS provided in [the] ITS governing instrument [of the business trust, a business], A STATUTORY trust:

(1) Shall have perpetual existence; and

(2) May not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of the governing instrument of the [business] STATUTORY trust.

(b) Except [to the extent otherwise] AS provided in the governing instrument of a [business] STATUTORY trust, the death, incapacity, dissolution, termination, or

bankruptcy of a beneficial owner shall not result in the termination or dissolution of a [business] **STATUTORY** trust.

[(c) In the event that a business trust does not have perpetual existence, a business trust is dissolved and its affairs shall be wound up at the time or on the happening of events specified in the governing instrument.

(d) On dissolution of a business trust and until the filing of a certificate of cancellation as provided in § 12–204(d) of this subtitle, the persons who, under the governing instrument of the business trust, are responsible for winding up the business trust's affairs may, in the name of and for and on behalf of the business trust, prosecute and defend suits, whether civil, criminal, or administrative, gradually settle and close the business trust business, dispose of and convey the business trust property, discharge or make reasonable provision for the business trust liabilities, and distribute to the beneficial owners any remaining assets of the business trust.

(e) (1) A business trust which has dissolved shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional, or unmatured claims and obligations, known to the business trust and all claims and obligations which are known to the business trust but for which the identity of the claimant is unknown.

(2) If there are sufficient assets, such claims and obligations shall be paid in full and any such provision for payment shall be made in full.

(3) If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims and obligations of equal priority, ratably to the extent of assets available.

(4) Unless otherwise provided in the governing instrument of a business trust, any remaining assets shall be distributed to the beneficial owners.

(5) Any person, including any trustee, who under the governing instrument of the business trust is responsible for winding up a business trust's affairs who has complied with this subsection is not personally liable to the claimants of the dissolved business trust by reason of such person's actions in winding up the business trust.]

12–203.

(a) A Maryland [business] **STATUTORY** trust shall have:

(1) A principal office in this State; and

(2) At least one resident agent who [shall be] **IS**:

(i) [A citizen of the State] **AN INDIVIDUAL** who resides in the State; or

(ii) A Maryland corporation.

(b) (1) A [business] **STATUTORY** trust may designate or change its resident agent or principal office by filing for record with the Department a certified copy of a resolution of its trustees that authorizes the designation or change.

(2) A [business] **STATUTORY** trust may change the address of its resident agent by filing for record with the Department a statement of the change signed by one of its trustees or by an officer of the [business] **STATUTORY** trust.

(3) A designation or change of a [business] **STATUTORY** trust's principal office or its resident agent or its resident agent's address under this subsection is effective when the Department accepts the resolution or statement for record.

(c) (1) A resident agent who changes the resident agent's **NAME OR** address in the State shall notify the Department of the change by filing for record with the Department a statement of the change signed by the resident agent or on behalf of the resident agent.

(2) The statement shall include:

(i) The names of the [business] **STATUTORY** trusts for which the change is effective;

(ii) The resident agent's old and new addresses **OR THE RESIDENT AGENT'S OLD AND NEW NAMES**; and

(iii) The date on which the change is effective.

(3) If the old and new addresses of the resident agent are the same as the old and new addresses of the principal office of the [business] **STATUTORY** trust, the statement may include a change of address for the principal office if:

(i) The resident agent notifies the [business] **STATUTORY** trust in writing that the statement will be filed; and

(ii) The statement recites that the resident agent has done so.

(4) The **STATEMENT OF THE** change of **NAME OR** address of the resident agent or principal office **OF A STATUTORY TRUST** is effective when the Department accepts the statement for record.

(d) (1) A resident agent may resign by filing with the Department a counterpart or photocopy of the resident agent's signed resignation.

(2) Unless a later time is specified in the resignation, the resignation is effective:

(i) At the time it is filed with the Department, if the [business] **STATUTORY** trust has more than one resident agent; or

(ii) 10 days after it is filed with the Department, if the [business] **STATUTORY** trust has only one resident agent.

(e) Service of process on a registered agent designated by a [business] **STATUTORY** trust under subsection (b) of this section shall be as effective as if served on one of the trustees of the [business] **STATUTORY** trust.

12-204.

(a) (1) A certificate of trust filed by a [business] **STATUTORY** trust with the Department shall set forth:

(i) The name of the [business] **STATUTORY** trust;

(ii) The name and the business address of the resident agent;

(iii) The address of the principal office of the [business] **STATUTORY** trust in the State; [and]

(IV) ANY NOTICE PROVIDED IN ACCORDANCE WITH § 12-501(D) OF THIS TITLE; AND

[(iv)] (V) Any other matters the trustees determine to include in the certificate **OF TRUST**.

(2) A [business] **STATUTORY** trust is formed at the **EFFECTIVE** time of the filing of the initial certificate of trust with the Department [or at any later date or time specified in the certificate of trust if, in either case, there has been substantial compliance with the requirements] **AS PROVIDED IN SUBSECTION (E)** of this section.

(3) A certificate of trust shall be signed by all of the trustees.

(b) (1) **(I) [A] EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OR THE CERTIFICATE OF TRUST OF A STATUTORY TRUST, A**

certificate of trust may be amended by filing a certificate of amendment to the certificate of trust with the Department.

(II) The certificate of amendment shall set forth:

[(i)] 1. The name of the [business] **STATUTORY** trust; and

[(ii)] 2. The amendment to the certificate of trust.

(2) A certificate of trust may be amended at any time for any purpose as the trustees may determine. [A trustee who becomes aware that any statement in a certificate of trust was false when made or that any matter described has changed making the certificate of trust false in any material respect shall promptly file a certificate of amendment.]

(3) A certificate of amendment shall be signed by one or more of the trustees or by an officer of the trust duly authorized by a majority of the trustees.]

(C) (1) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OR CERTIFICATE OF TRUST OF A STATUTORY TRUST, A CERTIFICATE OF TRUST MAY BE:

(I) RESTATED BY INTEGRATING INTO A SINGLE INSTRUMENT ALL THE PROVISIONS OF THE CERTIFICATE OF TRUST THAT ARE THEN IN EFFECT AS A RESULT OF THERE HAVING BEEN FILED ONE OR MORE CERTIFICATES OF AMENDMENT IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION; AND

(II) AMENDED OR FURTHER AMENDED BY THE FILING OF A RESTATED CERTIFICATE OF TRUST.

(2) THE RESTATED CERTIFICATE OF TRUST SHALL BE SPECIFICALLY DESIGNATED AS A RESTATED CERTIFICATE OF TRUST IN ITS HEADING AND SHALL SET FORTH:

(I) THE PRESENT NAME OF THE STATUTORY TRUST;

(II) THE DATE OF FILING OF THE ORIGINAL CERTIFICATE OF TRUST WITH THE DEPARTMENT;

(III) THE INFORMATION REQUIRED TO BE INCLUDED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION; AND

(IV) ANY OTHER INFORMATION THE TRUSTEES DETERMINE TO INCLUDE IN THE RESTATED CERTIFICATE OF TRUST.

(3) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OR CERTIFICATE OF TRUST OF A STATUTORY TRUST, A CERTIFICATE OF TRUST MAY BE RESTATED AT ANY TIME FOR ANY PURPOSE AS THE TRUSTEES MAY DETERMINE.

[(c)] (D) (1) A certificate of trust shall be canceled on the completion of winding up of the **[business] STATUTORY** trust and its termination.

(2) A certificate of cancellation shall be filed with the Department and set forth:

(i) The name of the **[business] STATUTORY** trust;

(ii) The date of filing of its **INITIAL** certificate of trust; and

(iii) Any other information the trustees determine to include in the certificate of cancellation.

[(2)] A certificate of cancellation shall be signed by a majority of the trustees or by an officer of the trust duly authorized by a majority of the trustees, or if there is no trustee, as provided in the governing instrument of the business trust.]

[(d)] (E) (1) [A] ARTICLES OF MERGER OR CONSOLIDATION, A certificate of trust, A RESTATED CERTIFICATE OF TRUST, A certificate of amendment, or A certificate of cancellation shall be effective [when]:

(I) WHEN accepted for record by the Department; or

(II) [at] AT any later time specified in the **ARTICLES OR** certificate.

(2) If any **ARTICLES OR** certificate filed in accordance with this section provides for a future effective **[date or]** time and if the transaction is terminated or amended to change the future effective **[date or]** time prior to the future effective **[date or]** time, the **ARTICLES OR** certificate shall be terminated or amended by the filing, prior to the future effective **[date or]** time set forth in **[such] THE** original **ARTICLES OR** certificate, of a certificate of termination or amendment of the original **ARTICLES OR** certificate[, executed] **THAT:**

(I) IS EXECUTED and filed in accordance with this title[, which shall identify];

(II) IDENTIFIES the original **ARTICLES OR** certificate which has been terminated or amended; and [shall state]

(III) STATES that the original **ARTICLES OR** certificate has been terminated or amended.

[(e)] (F) The execution of **ARTICLES OR** a certificate by a [trustee or duly authorized officer] **PERSON IN THE MANNER PROVIDED IN § 12-205 OF THIS SUBTITLE** constitutes an affirmation under the penalties [of] **FOR** perjury that, to the best of the [trustee's or officer's] **PERSON'S** knowledge and belief, the facts stated in the **ARTICLES OR** certificate are true.

12-205.

(A) (1) ARTICLES OF MERGER OR CONSOLIDATION, A RESTATED CERTIFICATE OF TRUST, A CERTIFICATE OF AMENDMENT, A CERTIFICATE OF CANCELLATION, OR AN AMENDMENT OF A CERTIFICATE OR ARTICLES SHALL BE EXECUTED:

(I) IN THE MANNER REQUIRED BY § 1-301 OF THIS ARTICLE; OR

(II) 1. BY A PERSON DULY AUTHORIZED BY ONE OR MORE OF THE TRUSTEES; OR

2. IF THERE IS NO TRUSTEE, AS PROVIDED IN THE GOVERNING INSTRUMENT OF THE STATUTORY TRUST.

(2) IF ARTICLES OF MERGER OR CONSOLIDATION OR A CERTIFICATE OF TERMINATION OR AMENDMENT OF ARTICLES OF MERGER OR CONSOLIDATION IS BEING FILED BY ANOTHER BUSINESS ENTITY OR A FOREIGN BUSINESS ENTITY, THE ARTICLES OF MERGER OR CONSOLIDATION OR THE CERTIFICATE OF TERMINATION OR AMENDMENT OF ARTICLES OF MERGER OR CONSOLIDATION SHALL BE EXECUTED BY A PERSON AUTHORIZED TO EXECUTE THE ARTICLES OR CERTIFICATE ON BEHALF OF THE OTHER BUSINESS ENTITY OR FOREIGN BUSINESS ENTITY.

[(a)] (B) (1) An executed copy of each certificate required by this subtitle shall be filed with the Department.

(2) The Department may not accept for record any certificate that does not meet the requirements of this subtitle.

(3) The Department may not accept for record or filing any certificate or other document until all required fees have been paid to the Department.

[(b)] (C) When the Department accepts for record any certificate or any document designating or changing the name or address of a resident agent or principal office of a Maryland **[business] STATUTORY** trust, the Department shall promptly record the document.

[(c)] If a business trust is filing articles of merger or consolidation or a certificate of termination or amendment of a merger or consolidation, the articles of merger or consolidation or certificate of termination or amendment of a merger or consolidation must be signed by a majority of the trustees, or by an officer of the trust duly authorized by a majority of the trustees, or if the articles of merger or consolidation or certificate of termination or amendment of a merger or consolidation is being filed by another business entity, the articles of merger or consolidation or certificate of termination or amendment of a merger or consolidation must be signed by a person authorized to execute such instrument on behalf of such other business entity.]

(d) The fact that a certificate of trust is on file in the office of the Department is notice **[that]:**

(1) THAT the entity formed in connection with the filing of the certificate of trust is a **[business] STATUTORY** trust formed under the laws of the State **[and is notice of];**

(2) OF all other facts which are required to be set forth in a certificate of trust by § 12-204 of this subtitle **[and is notice of]; AND**

(3) OF the limitation on liability of a series of a **[business] STATUTORY** trust which is permitted to be set forth in a certificate of trust by § 12-501(d) of this title.

12-206.

The name of each **[business] STATUTORY** trust as set forth in its certificate of trust shall comply with the requirements of Title 1, Subtitle 5 of this article.

12-207.

(a) A governing instrument may:

(1) Provide that a person shall become a beneficial owner and shall become bound by the governing instrument if **[such] THE** person, or a representative

authorized by [such] **THE** person orally, in writing, or by other action such as payment for a beneficial interest, complies with the conditions for becoming a beneficial owner set forth in the governing instrument or any other writing and acquires a beneficial interest;

(2) Consist of one or more agreements, instruments, or other writings and may include or incorporate bylaws containing provisions relating to the business of the [business] **STATUTORY** trust, the conduct of its affairs, and its rights or powers or the rights or powers of its trustees, beneficial owners, agents, or employees; and

(3) Contain any provision that is not inconsistent with law or with the information contained in the certificate of trust.

(b) A governing instrument may contain any provision relating to the management of the business and affairs of the [business] **STATUTORY** trust, and the rights, duties, and obligations of the trustees, beneficial owners, and other persons, which is not contrary to any provision or requirement of this title and, without limitation:

(1) May provide for classes, groups, or series of trustees [or], beneficial owners, or [classes, groups, or series of] beneficial interests, having [such relative] **THE PREFERENCES**, rights, powers, and duties as the governing instrument may provide, and may [make provision] **PROVIDE** for the future creation [in the manner provided in the governing instrument] of additional classes, groups, or series of trustees, beneficial owners, or beneficial interests, having the [relative] **PREFERENCES**, rights, powers, and duties as may from time to time be established, including **PREFERENCES**, rights, powers, and duties senior or subordinate to, **OR ON PARITY WITH**, existing **OR FUTURE** classes, groups, or series of trustees, beneficial owners, or beneficial interests;

(2) May establish or provide for the establishment of designated **CLASSES, GROUPS, OR** series of trustees, beneficial owners, or beneficial interests having [separate] **THE PREFERENCES**, rights, powers, [or] **AND** duties **AS THE GOVERNING INSTRUMENT MAY PROVIDE** with respect to specified property or obligations of the [business] **STATUTORY** trust or profits and losses associated with specified property or obligations and, to the extent provided in the governing instrument, any [series] **CLASSES, GROUPS, OR SERIES OF TRUSTEES, BENEFICIAL OWNERS, OR BENEFICIAL INTERESTS** may have a separate business purpose or investment objective;

(3) MAY PROVIDE FOR THE DIVISION OF BENEFICIAL INTERESTS IN THE STATUTORY TRUST INTO A FIXED OR UNLIMITED NUMBER OF SHARES OR OTHER UNITS OR THE COMBINATION OF SHARES OR OTHER UNITS OF BENEFICIAL INTERESTS IN THE STATUTORY TRUST;

[(3)] (4) May provide for the taking of any action, including the amendment of the governing instrument, the accomplishment of a merger or consolidation, the appointment of one or more trustees, the sale, lease, exchange, transfer, pledge, or other disposition of all or any part of the assets of the **[business] STATUTORY** trust or the assets of any series, **[or]** the dissolution of the **[business] STATUTORY** trust, or **[may provide for the taking of any action to create]** **THE CREATION**, under the provisions of the governing instrument, **OF** a class, group, or series of beneficial interests that was not previously outstanding, in any such case without the vote or approval of any particular trustee or beneficial owner, or class, group, or series of trustees or beneficial owners;

[(4)] (5) May grant to, or withhold from, all or certain trustees or beneficial owners, or a specified class, group, or series of trustees or beneficial owners, the right to vote, separately or with any or all other classes, groups, or series of trustees or beneficial owners, on any matter, such voting being on a per capita, number, financial interest, class, group, series, or any other basis;

[(5)] (6) May, if and to the extent that voting rights are granted under the governing instrument, set forth provisions relating to notice of the time, place, or purpose of any meeting at which any matter is to be voted on, waiver of any such notice, action by consent without a meeting, the establishment of record dates, quorum requirements, voting in person, by proxy, or in any other manner, or any other matter with respect to the exercise of the right to vote;

[(6)] (7) May provide for the present or future creation of more than one **[business] STATUTORY** trust, including the creation of a future **[business] STATUTORY** trust to which all or any part of the assets, liabilities, profits, or losses of any existing **[business] STATUTORY** trust will be transferred, and for the conversion of beneficial interests in an existing **[business] STATUTORY** trust or series, into beneficial interests in the separate **[business] STATUTORY** trust or series; **[and]**

[(7)] (8) May provide for the appointment, election, or engagement, either as agents or independent contractors of the **[business] STATUTORY** trust or as delegates of the trustees, **[of]** officers, employees, managers, or other persons who may manage the business and affairs of the **[business] STATUTORY** trust and may have the titles and the relative rights, powers, and duties as the governing instrument shall provide~~[.]; AND~~

(9) MAY PROVIDE RIGHTS TO ANY PERSON, INCLUDING A PERSON WHO IS NOT A PARTY TO THE GOVERNING INSTRUMENT, TO THE EXTENT SET FORTH IN THE GOVERNING INSTRUMENT;

(10) MAY PROVIDE FOR THE MANNER IN WHICH THE GOVERNING INSTRUMENT MAY BE AMENDED, INCLUDING BY REQUIRING THE APPROVAL OF A PERSON WHO IS NOT A PARTY TO THE GOVERNING INSTRUMENT OR THE SATISFACTION OF CONDITIONS, AND TO THE EXTENT THE GOVERNING INSTRUMENT PROVIDES FOR THE MANNER IN WHICH IT MAY BE AMENDED, THE GOVERNING INSTRUMENT MAY BE AMENDED ONLY IN THAT MANNER OR AS OTHERWISE PERMITTED BY LAW, PROVIDED THAT THE APPROVAL OF A PERSON MAY BE WAIVED BY THE PERSON AND THAT CONDITIONS MAY BE WAIVED BY ALL PERSONS FOR WHOSE BENEFIT THE CONDITIONS WERE INTENDED; AND

(11) MAY PROVIDE FOR ACTION BY OR ON BEHALF OF THE STATUTORY TRUST IN THE EVENT THERE ARE NO TRUSTEES.

(c) (1) A STATUTORY TRUST IS NOT REQUIRED TO EXECUTE ITS GOVERNING INSTRUMENT.

(2) A STATUTORY TRUST IS BOUND BY ITS GOVERNING INSTRUMENT WHETHER OR NOT IT EXECUTES THE GOVERNING INSTRUMENT.

(3) A BENEFICIAL OWNER OR A TRUSTEE IS BOUND BY THE GOVERNING INSTRUMENT WHETHER OR NOT THE BENEFICIAL OWNER OR TRUSTEE EXECUTES THE GOVERNING INSTRUMENT.

12-208.

Except [to the extent otherwise] AS provided in the governing instrument of a [business] STATUTORY trust, the trustees shall [choose and supervise] ELECT the officers[,] AND APPOINT THE managers, employees, and other [persons] AGENTS of the [business] STATUTORY trust.

12-301.

(a) (1) [A contribution of a beneficial owner to the business trust may be in cash, property, or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services.

(2) A person may become a beneficial owner of a [business] STATUTORY trust and may receive a beneficial interest in a [business trust without making a contribution or being obligated to make a contribution to the business trust] STATUTORY TRUST WITHOUT PAYMENT OF CONSIDERATION TO THE STATUTORY TRUST.

(2) THE CONSIDERATION FOR A BENEFICIAL INTEREST IN A STATUTORY TRUST MAY CONSIST OF:

- (I) MONEY;**
- (II) TANGIBLE OR INTANGIBLE PROPERTY;**
- (III) LABOR OR SERVICES ACTUALLY PERFORMED FOR THE STATUTORY TRUST;**
- (IV) A PROMISSORY NOTE OR OTHER OBLIGATION FOR FUTURE PAYMENT OF MONEY;**
- (V) THE TRANSFER OF TANGIBLE OR INTANGIBLE PROPERTY;**
- (VI) A CONTRACT FOR FUTURE PERFORMANCE OF LABOR OR SERVICES; OR**
- (VII) ANY COMBINATION OF THE CONSIDERATION DESCRIBED IN ITEMS (I) THROUGH (VI) OF THIS PARAGRAPH.**

(b) **[(1)] Except as provided in the governing instrument[, a] OF A STATUTORY TRUST OR BY AGREEMENT BETWEEN THE BENEFICIAL OWNER AND THE STATUTORY TRUST:**

(1) A beneficial owner is obligated to the [business] STATUTORY trust to perform any promise to contribute cash or property or to perform services, even if the beneficial owner is unable to perform because of death, disability, or any other reason[.];

(2) Subject to the provisions of [paragraph] ITEM (3) of this subsection, if a beneficial owner does not make the required contribution of property or services, the beneficial owner is obligated [at] TO the [option of the business] STATUTORY trust to contribute cash equal to that portion of the agreed value, as stated in the records of the [business] STATUTORY trust, of the contribution that has not been made[.]; AND

(3) The [option] OBLIGATION provided in [paragraph] ITEM (2) of this subsection shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the [business] STATUTORY trust may have against the beneficial owner under the governing instrument or applicable law.

(c) (1) A governing instrument may provide that the interest of any beneficial owner who fails to make any contribution that the beneficial owner is obligated to make shall be subject to specific penalties for, or specified consequences of, the failure.

(2) The penalty or consequence may take the form of:

(i) Reducing or eliminating the defaulting beneficial owner's proportionate interest in the [business] **STATUTORY** trust, subordinating the beneficial owner's interest to that of nondefaulting beneficial owners;

(ii) A forced sale of the beneficial owner's interest;

(iii) A forfeiture **OR CANCELLATION** of the beneficial owner's interest;

(iv) A lending by other beneficial owners of the amount necessary to meet the defaulting beneficial owner's commitment;

(v) A fixing of the value of the defaulting beneficial owner's interest by appraisal or by formula, and a redemption or sale of the defaulting beneficial owner's interest at that value; or

(vi) Any other penalty or consequence.

12-302.

(a) Except [to the extent otherwise] **AS** provided in the governing instrument of [the business] **A STATUTORY** trust, the beneficial owners shall be entitled to the same limitation of personal liability extended to [shareholders] **STOCKHOLDERS** of a Maryland corporation formed under Title 2 of this article.

(b) (1) Neither an obligation of a beneficial owner or trustee of a [business] **STATUTORY** trust to the [business] **STATUTORY** trust arising under the governing instrument or a separate agreement in writing, or a note, instrument, or other writing evidencing any such obligation of a beneficial owner or trustee, shall be subject to the defense of usury.

(2) A beneficial owner or trustee may not interpose the defense of usury with respect to any obligation identified in paragraph (1) of this subsection in any action.

12-303.

(a) Except [to the extent otherwise] **AS** provided in the governing instrument of [the business] **A STATUTORY** trust, a beneficial owner shall have an undivided beneficial interest in the property of the [business] **STATUTORY** trust and shall share in the profits and losses of the [business] **STATUTORY** trust in the proportion of the entire undivided beneficial interest in the [business] **STATUTORY** trust owned by the beneficial owner.

(b) (1) Except [to the extent otherwise] **AS** provided in the governing instrument of a [business] **STATUTORY** trust, a beneficial owner has no interest in specific [business trust] property **OF THE STATUTORY TRUST**.

(2) A creditor of the beneficial owner has no right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the [business] **STATUTORY** trust.

(c) A [beneficial owner's] beneficial interest in [the business] **A STATUTORY** trust is personal property notwithstanding the nature of the property of the trust.

(d) [A beneficial owner's] **EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST**, A beneficial interest in the [business] **STATUTORY** trust is freely transferable [except to the extent otherwise provided in the governing instrument of the business trust].

(e) Except [to the extent otherwise] **AS** provided in the governing instrument of a [business] **STATUTORY** trust, at the time a beneficial owner becomes entitled to receive a distribution, the beneficial owner has the status of, and is entitled to all remedies available to, a creditor of the [business] **STATUTORY** trust with respect to the distribution.

(F) A governing instrument may provide for the establishment of record dates with respect to allocations and distributions by a [business] **STATUTORY** trust **OR FOR ANY OTHER PURPOSE**.

(G) **EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST OR BY AGREEMENT, A BENEFICIAL OWNER SHALL HAVE NO PREEMPTIVE RIGHT TO ACQUIRE ANY BENEFICIAL INTEREST OR OTHER INTEREST IN THE STATUTORY TRUST**.

12-304.

(a) [Subject to the standards and restrictions, if any, set forth] **EXCEPT AS PROVIDED** in [the] **ITS** governing instrument [of a business trust, a business], **A STATUTORY** trust shall have the power to [indemnify]:

(1) INDEMNIFY and hold harmless, AND TO OBLIGATE ITSELF TO INDEMNIFY AND HOLD HARMLESS, any beneficial owner from and against any and all claims and demands whatsoever; AND

(2) PAY OR REIMBURSE IN ADVANCE OF FINAL DISPOSITION OF A PROCEEDING, AS DEFINED IN § 2-418 OF THIS ARTICLE, ANY EXPENSES INCURRED IN CONNECTION WITH THE PROCEEDING.

(b) The absence of a provision for indemnity in the governing instrument of a [business] **STATUTORY** trust may not be construed to deprive a beneficial owner of any right to indemnity that is otherwise available to the beneficial owner under the laws of the State.

12-305.

(a) [Except to the extent otherwise provided in the governing instrument of a business trust, each beneficial owner of a business trust has the right, subject to such reasonable standards, including standards governing what information and documents are to be furnished at what time and location and at whose expense, as may be established by the trustees, to obtain from the business trust from time to time on reasonable demand for any purpose reasonably related to the beneficial owner's interest as a beneficial owner of the business trust] **EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, A BENEFICIAL OWNER, A HOLDER OF A VOTING TRUST CERTIFICATE IN THE STATUTORY TRUST, OR A BENEFICIAL OWNER'S AGENT MAY INSPECT AND COPY DURING USUAL BUSINESS HOURS ANY OF THE FOLLOWING STATUTORY TRUST DOCUMENTS:**

(1) [A copy of the] **THE** governing instrument and [certificate of trust and all amendments, together with copies of any written powers of attorney under which the governing instrument and any certificate and any amendments have been executed] **ALL AMENDMENTS;**

(2) [A current list of the name and last known business or mailing address of each beneficial owner and trustee; and

(3) Information regarding the business and financial condition of the business trust.] **MINUTES OF THE PROCEEDINGS OF THE BENEFICIAL OWNERS;**

(3) AN ANNUAL STATEMENT OF AFFAIRS; AND

(4) VOTING TRUST AGREEMENTS ON FILE AT THE STATUTORY TRUST'S PRINCIPAL OFFICE.

(B) (1) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, A BENEFICIAL OWNER, WHO FOR AT LEAST 6 MONTHS HAS BEEN THE BENEFICIAL OWNER OF RECORD OF OUTSTANDING BENEFICIAL INTERESTS OF ANY SERIES OR CLASS OF BENEFICIAL INTERESTS OF THE STATUTORY TRUST ENTITLED TO CAST AT LEAST 5% OF ALL THE VOTES ENTITLED TO BE CAST GENERALLY IN THE ELECTION OF TRUSTEES, MAY PRESENT TO ANY OFFICER OF THE STATUTORY TRUST A WRITTEN REQUEST FOR A LIST OF THE BENEFICIAL OWNERS OF RECORD OF THAT SERIES OR CLASS AS DISCLOSED BY THE RECORDS OF THE STATUTORY TRUST RELATING TO THE ISSUANCE AND TRANSFER OF BENEFICIAL INTERESTS.

(2) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, WITHIN 20 DAYS AFTER A REQUEST FOR INFORMATION IS MADE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE STATUTORY TRUST SHALL PREPARE AND HAVE AVAILABLE ON FILE AT ITS PRINCIPAL OFFICE A LIST THAT:

(I) IS VERIFIED UNDER OATH BY ONE OF ITS OFFICERS OR ITS TRANSFER AGENT OR REGISTRAR; AND

(II) SETS FORTH THE NAME AND ADDRESS OF EACH BENEFICIAL OWNER OF RECORD OF THE SERIES OR CLASS AND THE NUMBER OF SHARES OF THE SERIES OR CLASS HELD BY THE BENEFICIAL OWNER.

[(b)] (C) Except [to the extent otherwise] AS provided in the governing instrument of a [business] STATUTORY trust, each trustee shall have the right to examine all [the] DOCUMENTS AND information [described in subsection (a) of this section] REGARDING THE STATUTORY TRUST for any purpose reasonably related to the PERFORMANCE OF THE trustee's [position] DUTIES as a trustee.

[(c)] (D) Except [to the extent otherwise] AS provided in [the] ITS governing instrument [of a business trust, the trustees of a business] A STATUTORY trust shall have the right to keep confidential from the beneficial owners, for such period of time as the trustees deem reasonable, any information that [the]:

(1) THE trustees reasonably believe to be in the nature of trade secrets or other information, the disclosure of which the trustees in good faith believe is not in the best interest of the [business] STATUTORY trust or could damage the [business] STATUTORY trust or its business [or which the business]; OR

(2) THE STATUTORY trust is required by law or by agreement with a third party to keep confidential.

[(d)] (E) A [business] **STATUTORY** trust may maintain its records in other than a written form if such form is capable of conversion into a written form within a reasonable time.

[(e) Any demand by a beneficial owner or trustee under this section shall be in writing and shall state the purpose of the demand.]

12-306.

(A) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST:

(1) MEETINGS OF BENEFICIAL OWNERS MAY BE HELD AT ANY PLACE OR BY CONFERENCE TELEPHONE OR IN ANY OTHER MANNER BY WHICH ALL PERSONS PARTICIPATING IN THE MEETING MAY HEAR EACH OTHER; AND

(2) PARTICIPATION IN A MEETING IN ACCORDANCE WITH ITEM (1) OF THIS SUBSECTION SHALL CONSTITUTE PRESENCE IN PERSON AT THE MEETING.

(B) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, ON ANY MATTER THAT IS TO BE VOTED ON BY THE BENEFICIAL OWNERS:

(1) THE BENEFICIAL OWNERS MAY TAKE ACTION ON THE MATTER WITHOUT A MEETING, WITHOUT PRIOR NOTICE, AND WITHOUT A VOTE IF A CONSENT OR CONSENTS IN WRITING, SETTING FORTH THE ACTION TAKEN, IS SIGNED BY THE BENEFICIAL OWNERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT WHICH ALL INTERESTS IN THE STATUTORY TRUST ENTITLED TO VOTE ON THE MATTER WERE PRESENT AND VOTED; AND

(2) A BENEFICIAL OWNER MAY VOTE:

(i) IN PERSON; OR

(ii) BY PROXY GRANTED IN WRITING, BY MEANS OF TELEPHONIC OR ELECTRONIC TRANSMISSION, OR AS OTHERWISE PERMITTED BY APPLICABLE LAW.

(C) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, A CONSENT TRANSMITTED BY ELECTRONIC TRANSMISSION BY A BENEFICIAL OWNER OR BY A PERSON AUTHORIZED TO ACT FOR A

BENEFICIAL OWNER SHALL BE DEEMED TO BE WRITTEN AND SIGNED FOR PURPOSES OF THIS SECTION.

(D) EXCEPT AS PROVIDED IN THIS TITLE OR THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, ANY ACT REQUIRING THE APPROVAL OF THE BENEFICIAL OWNERS SHALL BE APPROVED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE VOTES ENTITLED TO BE CAST ON THE MATTER.

12-401.

(a) Except [to the extent] AS provided in [the] ITS governing instrument [of the business trust], the business and affairs of [the business] A STATUTORY trust shall be managed under the direction of its trustees.

(b) Except [to the extent] AS provided in the governing instrument of a [business] STATUTORY trust, neither the power to give direction to a trustee or other [persons] PERSON nor the exercise by any person, INCLUDING A BENEFICIAL OWNER, of a direction[, including a beneficial owner,] shall cause that person to have duties, including fiduciary duties, or liabilities relating to the [business] STATUTORY trust or to a beneficial owner.

12-402.

(a) Subject to the provisions of subsections [(b) and (c)] (D) AND (E) of this section, and except [to the extent otherwise] AS provided in the governing instrument of a [business] STATUTORY trust, a trustee, when acting in such capacity, is not personally liable to any person other than the [business] STATUTORY trust or a beneficial owner for any act, omission, or obligation of the [business] STATUTORY trust or any trustee.

[(b) In the absence of any provision in the governing instrument of the business trust, a trustee shall have no duty or liability to the business trust or a beneficial owner for any act greater than that of directors of a Maryland corporation to the corporation as provided in Title 2, Subtitle 4 of this article.]

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, A TRUSTEE SHALL PERFORM THE TRUSTEE'S DUTIES AS A TRUSTEE, INCLUDING THE DUTIES AS A MEMBER OF A COMMITTEE OF THE TRUSTEES ON WHICH THE TRUSTEE SERVES:

(1) IN GOOD FAITH;

(2) IN A MANNER THAT THE TRUSTEE REASONABLY BELIEVES TO BE IN THE BEST INTERESTS OF THE STATUTORY TRUST; AND

(3) WITH THE CARE THAT AN ORDINARILY PRUDENT PERSON IN A LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES.

(C) THE GOVERNING INSTRUMENT OF A STATUTORY TRUST MAY INCLUDE A PROVISION EXPANDING OR LIMITING THE DUTIES OF A TRUSTEE SET FORTH IN SUBSECTION (B) OF THIS SECTION, PROVIDED THAT THE GOVERNING INSTRUMENT MAY NOT ELIMINATE THE DUTY TO ACT IN GOOD FAITH.

(D) (1) A TRUSTEE WHO PERFORMS THE DUTIES OF A TRUSTEE IN ACCORDANCE WITH THE STANDARD PROVIDED UNDER SUBSECTION (B) OF THIS SECTION, AS MAY BE EXPANDED OR LIMITED IN THE GOVERNING INSTRUMENT IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION, HAS NO LIABILITY BY REASON OF BEING OR HAVING BEEN A TRUSTEE OF THE STATUTORY TRUST.

(2) A TRUSTEE SHALL HAVE NO DUTIES OTHER THAN AS SET FORTH IN SUBSECTION (B) OF THIS SECTION, AS EXPANDED OR LIMITED IN THE GOVERNING INSTRUMENT IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

[(c) (3) The governing instrument of a [business] STATUTORY trust may [not] include [any] A provision EXPANDING OR limiting the liability of its trustees and officers to the STATUTORY trust or its beneficial owners, PROVIDED THAT THE GOVERNING INSTRUMENT MAY NOT LIMIT THE LIABILITY OF ITS TRUSTEES AND OFFICERS to any extent greater than that permitted by Title 2, Subtitle 4 of this article in connection with the LIMITATION OF liability of directors and officers of a Maryland corporation.

(E) NO CREDITOR OF A TRUSTEE SHALL HAVE ANY RIGHT TO OBTAIN POSSESSION OF, OR OTHERWISE EXERCISE ANY LEGAL OR EQUITABLE REMEDY WITH RESPECT TO, ANY PROPERTY OF THE STATUTORY TRUST WITH RESPECT TO ANY CLAIM AGAINST, OR OBLIGATION OF, THE TRUSTEE IN THE TRUSTEE'S INDIVIDUAL CAPACITY.

12-403.

(a) [Subject to the standards and restrictions, if any, set forth in the] EXCEPT AS PROVIDED IN ITS governing instrument [of a business trust], a [business] STATUTORY trust shall have the power to [indemnify]:

(1) INDEMNIFY and hold harmless, AND TO OBLIGATE ITSELF TO INDEMNIFY AND HOLD HARMLESS, any trustee, OFFICER, EMPLOYEE, or [other person] AGENT from and against any and all claims and demands WHATSOEVER; AND

(2) PAY OR REIMBURSE IN ADVANCE OF FINAL DISPOSITION OF A PROCEEDING, AS DEFINED IN § 2-418 OF THIS ARTICLE, REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE PROCEEDING.

(b) [Unless otherwise] **EXCEPT AS** provided [by] **IN** the governing instrument of a [business] **STATUTORY** trust, a trustee shall be indemnified to the same extent as a director of a corporation under § 2-418 of this article.

12-404.

(A) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST:

(1) MEETINGS OF TRUSTEES MAY BE HELD AT ANY PLACE OR BY CONFERENCE TELEPHONE OR IN ANY OTHER MANNER BY WHICH ALL PERSONS PARTICIPATING IN THE MEETING AS TRUSTEES MAY HEAR EACH OTHER; AND

(2) PARTICIPATION IN A MEETING IN ACCORDANCE WITH ITEM (1) OF THIS SUBSECTION SHALL CONSTITUTE PRESENCE IN PERSON AT THE MEETING.

(B) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, ON ANY MATTER THAT IS TO BE VOTED ON BY THE TRUSTEES:

(1) THE TRUSTEES MAY TAKE ACTION ON THE MATTER WITHOUT A MEETING, WITHOUT PRIOR NOTICE, AND WITHOUT A VOTE IF A CONSENT OR CONSENTS IN WRITING, SETTING FORTH THE ACTION TAKEN, IS SIGNED BY THE TRUSTEES HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE THE ACTION AT A MEETING AT WHICH ALL TRUSTEES ENTITLED TO VOTE ON THE MATTER WERE PRESENT AND VOTED; AND

(2) A TRUSTEE MAY VOTE:

(I) IN PERSON; OR

(II) BY PROXY GRANTED IN WRITING, BY MEANS OF TELEPHONIC OR ELECTRONIC TRANSMISSION, OR AS OTHERWISE PERMITTED BY APPLICABLE LAW.

(C) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, A CONSENT TRANSMITTED BY ELECTRONIC TRANSMISSION BY A TRUSTEE OR BY A PERSON AUTHORIZED TO ACT FOR A TRUSTEE SHALL BE DEEMED TO BE WRITTEN AND SIGNED FOR PURPOSES OF THIS SECTION.

(D) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST, ANY ACT REQUIRING THE APPROVAL OF THE TRUSTEES SHALL BE APPROVED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE TRUSTEES.

12-405.

(A) THIS SECTION APPLIES TO A STATUTORY TRUST THAT IS AN INVESTMENT COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

(B) A TRUSTEE OF A STATUTORY TRUST WHO WITH RESPECT TO THE STATUTORY TRUST IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND DISINTERESTED WHEN MAKING A DETERMINATION OR TAKING ANY ACTION AS A TRUSTEE.

12-501.

(a) [A business trust may sue and be sued, and service] SERVICE of process on [one of the trustees shall be sufficient to constitute service on the business trust] A STATUTORY TRUST MAY BE EFFECTED IN THE SAME MANNER AS SERVICE OF PROCESS ON A MARYLAND CORPORATION.

[(b) A business trust may be sued for debts and other obligations or liabilities contracted or incurred by the trustees, or by the duly authorized agents of such trustees, in the performance of their respective duties under the governing instrument of the business trust, and for any damages to persons or property resulting from the negligence of such trustees or agents acting in the performance of such respective duties.]

(B) IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST OR OTHER WRITING, A TRUSTEE, BENEFICIAL OWNER, OR OTHER PERSON MAY CONSENT TO BE:

(1) SUBJECT TO:

(I) THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF, OR ARBITRATION IN, A SPECIFIED JURISDICTION;

(II) THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE; OR

(III) THE EXCLUSIVITY OF ARBITRATION IN A SPECIFIED JURISDICTION OR THE STATE; AND

(2) SERVED WITH LEGAL PROCESS IN THE MANNER PRESCRIBED IN THE GOVERNING INSTRUMENT OF THE STATUTORY TRUST OR OTHER WRITING.

(c) The property of a [business] **STATUTORY** trust is subject to attachment and execution as if the [business] **STATUTORY** trust was a corporation.

(d) Notwithstanding the provisions of this section, [in the event that] **IF** the governing instrument of a [business] **STATUTORY** trust, including **THE GOVERNING INSTRUMENT OF** a [business] **STATUTORY** trust which is a registered investment company under the Investment Company Act of 1940, creates one or more series **OR CLASSES** as provided in § 12–207(b) of this title, and if separate and distinct records are maintained for any such series **OR CLASS** and the assets associated with any such series **OR CLASS** are held and accounted for separately from the other assets of the [business] **STATUTORY** trust, or any other series **OR CLASS**, and if the governing instrument so provides, and notice of the limitation on liabilities of a series **OR CLASS** as referenced in this subsection is set forth in the certificate of trust of the [business] **STATUTORY** trust, then [the]:

(1) THE debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular series **OR CLASS** shall be enforceable against the assets of that series **OR CLASS** only, and not against the assets of the [business] **STATUTORY** trust generally or any other series **OR CLASS**[, and, unless]; **AND**

(2) UNLESS otherwise provided in the governing instrument, none of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the [business] **STATUTORY** trust generally or any other series **OR CLASS** shall be enforceable against the assets of that series **OR CLASS**.

12–601.

[Unless the governing instrument provides otherwise] **EXCEPT AS PROVIDED IN ITS GOVERNING INSTRUMENT**, a [Maryland business] **STATUTORY** trust may

merge or consolidate with or into one or more [business trusts or] **STATUTORY TRUSTS**, other business entities [formed or organized or existing under the laws of Maryland or any other state or the United States or any foreign country or other foreign jurisdiction], **OR FOREIGN BUSINESS ENTITIES**.

12-602.

(a) [Unless otherwise] **EXCEPT AS** provided in the governing instrument of a [business] **STATUTORY** trust, a merger or consolidation shall be approved by each [business] **STATUTORY** trust which is to merge or consolidate by **A MAJORITY OF THE TRUSTEES AND BY THE BENEFICIAL OWNERS** BY the affirmative vote of two-thirds of [the trustees and two-thirds of the outstanding beneficial interests of such business trust entitled to vote] **ALL THE VOTES ENTITLED TO BE CAST ON THE MATTER**.

(b) [A merger need be approved by a business trust] **EXCEPT AS PROVIDED IN ITS GOVERNING INSTRUMENT, A MERGER IN WHICH A STATUTORY TRUST IS THE** successor **REQUIRES** only [by] **THE APPROVAL OF** a majority of [its entire board of] **THE** trustees if:

(1) The merger does not reclassify or change its outstanding [shares] **BENEFICIAL INTERESTS** or otherwise amend its governing instrument **IN ANY MANNER REQUIRING A VOTE OF THE BENEFICIAL OWNERS**; and

(2) The number of [shares] **BENEFICIAL INTERESTS** to be issued or delivered in the merger is not more than 20 percent of the number of its [shares] **BENEFICIAL INTERESTS** of the same class or series outstanding immediately before the merger becomes effective.

(c) The merger or consolidation shall be approved by any other business entity **OR FOREIGN BUSINESS ENTITY** party to the merger or consolidation in the manner required by the charter, declaration of trust, partnership agreement, or other organization document of the entity and the laws of the jurisdiction where the entity is organized.

12-603.

(A) In **OR IN** connection with a merger or consolidation, **BENEFICIAL INTERESTS OR OTHER** rights or securities of, or interests in, a [business trust or] **STATUTORY TRUST**, other business entity, **OR FOREIGN BUSINESS ENTITY** which is a [constituent] party to the merger or consolidation may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the [surviving or resulting business trust] **SUCCESSOR** or any other **BUSINESS ENTITY OR FOREIGN BUSINESS ENTITY**, whether or not a party to the transaction.

(B) Notwithstanding [prior] approval **BY THE TRUSTEES OR BENEFICIAL OWNERS**, an agreement of merger or consolidation may be terminated or amended [under] **AT ANY TIME PRIOR TO THE EFFECTIVE TIME OF THE MERGER OR CONSOLIDATION:**

(1) BY AGREEMENT OF THE PARTIES TO THE MERGER OR CONSOLIDATION; OR

(2) UNDER a provision for the termination or amendment **OF THE MERGER OR CONSOLIDATION** contained in the agreement of merger or consolidation.

12-604.

Articles of merger or consolidation shall[:

(1) Be executed for each party to the articles in the manner required by Title 1 of this article;

(2) Be filed for the record with the Department; and

(3) Include the provisions required under § 12-605 of this subtitle] **BE FILED FOR RECORD WITH THE DEPARTMENT.**

12-605.

Articles of merger or consolidation shall state:

(1) The name and jurisdiction of formation or organization of each [of the business trusts] **STATUTORY TRUST** or other business [entities] **ENTITY** which is to merge or consolidate and as to each foreign **BUSINESS** entity, the date of its formation, and whether it is registered or qualified to do business in the State;

(2) THE NAME OF THE SUCCESSOR;

[(2)] (3) Each county in the State where each entity party to the articles of merger **OR CONSOLIDATION** has its principal office and any of the parties other than the successor owns an interest in land;

[(3)] (4) If the successor is a foreign business [trust or other business] entity, the location of its principal office in the jurisdiction in which it is organized and the name and address of its resident agent in the State;

[(4)] (5) That [an agreement of] **THE** merger or consolidation has been approved [and executed by each of the business trusts or] **BY EACH STATUTORY**

TRUST, other business [entities which] **ENTITY, OR FOREIGN BUSINESS ENTITY THAT** is to merge or consolidate in [this] **THE** manner required by its governing instrument or certificate of trust and by the laws of the place where it is organized;

[(5) The name of the successor trust or other business entity;]

(6) Any amendment to the [charter, certificate of limited partnership, articles of organization of a limited liability company, or governing instrument] **CERTIFICATE OF TRUST** of the successor to be effected as part of the merger or consolidation;

[(7) As to each corporation party to the articles:

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

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

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

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

(8) As to each business trust party to the articles:

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

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

(9) As to each limited partnership party to the articles:

(i) The percentages of partnership interests of each class of partnership interests of the limited partnership; and

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

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

(i) The percentages of membership interests of each class of membership interests of the limited liability company; and

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

(11) If the charter, certificate of limited partnership, articles of organization of a limited liability company, governing instrument or certificate of trust of the successor is amended in a manner that changes any of the information required under items (2) through (5) of this section, that information as it was both immediately before and as changed by the merger;

(12) The manner and basis of converting or exchanging issued stock of the merging corporations, outstanding partnership interests of the merging limited partnership, or shares of beneficial interests of the merging business trusts into different stock of a corporation, partnership interests of a limited partnership, outstanding membership interest of a limited liability company, shares of beneficial interests of a business trust, or other consideration, and the treatment of any issued stock of the merging corporations, partnership interest of the merging limited partnerships, membership interest of the merging limited liability company, or shares of beneficial interest of the merging business trusts not to be converted or exchanged;

(13) The future effective date or time, which shall be a date or time certain, of the merger or consolidation if it is not to be effective on the filing of the certificate of merger or consolidation;

(14) That the executed agreement of merger or consolidation is on file at the principal place of business of the successor trust or other business entity, and shall state the address of that principal place of business; and

(15) That a copy of the agreement of merger or consolidation will be furnished by the successor trust or other business entity, on request and without cost, to any beneficial owner of any business trust or any person holding an interest in any other business entity which is to merge or consolidate.]

(7) (I) THE MANNER AND BASIS OF CONVERTING OR EXCHANGING ISSUED BENEFICIAL INTERESTS OR OTHER OWNERSHIP INTERESTS OF EACH MERGING OR CONSOLIDATING STATUTORY TRUST, OTHER BUSINESS ENTITY, OR FOREIGN BUSINESS ENTITY INTO:

1. DIFFERENT BENEFICIAL INTERESTS OR OTHER OWNERSHIP INTERESTS OF A STATUTORY TRUST, ANOTHER BUSINESS ENTITY, OR FOREIGN BUSINESS ENTITY; OR

2. ANY OTHER CONSIDERATION; AND

(II) THE TREATMENT OF ANY BENEFICIAL INTERESTS OR OTHER OWNERSHIP INTERESTS OF EACH MERGING OR CONSOLIDATING

STATUTORY TRUST, OTHER BUSINESS ENTITY, OR FOREIGN BUSINESS ENTITY NOT BEING CONVERTED OR EXCHANGED; AND

(8) THE FUTURE EFFECTIVE TIME, WHICH SHALL BE A TIME CERTAIN, OF THE MERGER OR CONSOLIDATION IF IT IS NOT TO BE EFFECTIVE ON THE ACCEPTANCE FOR RECORD BY THE DEPARTMENT OF THE ARTICLES OF MERGER OR CONSOLIDATION.

12-606.

Unless a future effective [date or] time is provided in articles of merger or consolidation, in which event a merger or consolidation shall be effective at [any such] **THE** future effective [date or] time, a merger or consolidation shall be effective on the [filing with] **ACCEPTANCE FOR RECORD BY** the Department of articles of merger or consolidation.

12-607.

(a) Notwithstanding anything to the contrary contained in [the] **ITS** governing instrument [of a business trust, a], **THE** governing instrument of a [business] **STATUTORY** trust containing a specific reference to this section may provide that an agreement of merger or consolidation approved in accordance with this subtitle may:

(1) Effect any amendment to the governing instrument of the [business] **STATUTORY** trust; or

(2) Effect the adoption of a new governing instrument of the [business] **STATUTORY** trust if it is the successor trust in the merger or consolidation.

(b) [(1)] Any amendment to the governing instrument of a [business] **STATUTORY** trust or adoption of a new governing instrument of [the business] **A STATUTORY** trust made under this section shall be effective at the effective time [or date] of the merger or consolidation.

[(2)] (C) The provisions of this [subsection] **SECTION** may not be construed to limit the accomplishment of a merger or consolidation or of any of the matters referred to [herein] **IN THIS SECTION** by any other means provided for in the governing instrument of a [business] **STATUTORY** trust or other agreement or as otherwise permitted by law, including that the governing instrument of any constituent [business] **STATUTORY** trust to the merger or consolidation shall be the governing instrument of the successor trust.

12-608.

(a) The Department shall prepare certificates of merger **OR CONSOLIDATION** that specify:

(1) The name of each party to the articles **OF MERGER OR CONSOLIDATION**;

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

(3) The time the articles **OF MERGER OR CONSOLIDATION** are accepted for record by the Department.

(b) In addition to any other provision of law with respect to recording, the Department shall send one certificate each to the clerk of the circuit court for each county where the articles show that a merging **[business] OR CONSOLIDATING STATUTORY** trust, corporation, partnership, limited partnership, or limited liability company other than the successor owns an interest in land.

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

12-609.

(a) In order to keep the land assessment records current in each county, the Department shall require a **[business] STATUTORY** trust, corporation, partnership, limited partnership, or limited liability company to submit with the articles **OF MERGER OR CONSOLIDATION** a property certificate for each county where a merging **[business] OR CONSOLIDATING STATUTORY** trust, corporation, partnership, limited partnership, or limited liability company other than the successor owns an interest in land.

(b) A property certificate is not required with respect to any property in which the only interest owned by the merging **[business] OR CONSOLIDATING STATUTORY** trust, corporation, partnership, limited partnership, or limited liability company is a security interest.

(c) The property certificate shall be in the form and number of copies which the Department requires and may include the certificate of the Department required by subsection (a) of this section.

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

(2) The Department shall indicate on the certificate the time the articles **OF MERGER OR CONSOLIDATION** are accepted for record and send a copy of it to the chief assessor of the county where the property is located.

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

12-610.

(a) Consummation of a merger **OR CONSOLIDATION** has the effects provided in this section.

(b) The separate existence of each [business] **STATUTORY** trust, [corporation, partnership, limited partnership, or limited liability company] **OTHER BUSINESS ENTITY OR FOREIGN BUSINESS ENTITY** party to the articles **OF MERGER OR CONSOLIDATION**, except the successor, ceases.

(c) The [shares] **BENEFICIAL INTERESTS** of each [business] **STATUTORY** trust party to the articles **OF MERGER OR CONSOLIDATION** which are to be converted or exchanged under the terms of the articles **OF MERGER OR CONSOLIDATION** cease to exist, subject to the rights of an objecting [shareholder under this subtitle] **BENEFICIAL OWNER UNDER THE GOVERNING INSTRUMENT OR AGREEMENT OF MERGER OR CONSOLIDATION**.

(d) In addition to any other purposes and powers set forth in the articles **OF MERGER OR CONSOLIDATION**, if the articles **OF MERGER OR CONSOLIDATION** provide, the successor has the purposes and powers of each party to the articles of **MERGER OR CONSOLIDATION**.

(e) (1) The assets of each party to the articles **OF MERGER OR CONSOLIDATION**, including any legacies which it would have been capable of taking, transfer to, vest in, and devolve on the successor without further act or deed.

(2) Confirmatory deeds, assignments, or similar instruments to evidence the transfer may be executed and delivered at any time in the name of the transferring party to the articles **OF MERGER OR CONSOLIDATION** by its last acting officers or trustees or by the appropriate officers or trustees of the successor.

(f) (1) **(I)** The successor is liable for all the debts and obligations of each nonsurviving party to the articles **OF MERGER OR CONSOLIDATION**.

(II) An existing claim, action, or proceeding pending by or against any nonsurviving party to the articles **OF MERGER OR CONSOLIDATION** may

be prosecuted to judgment as if the merger **OR CONSOLIDATION** had not taken place, or, on motion of the successor or any party, the successor may be substituted as a party and the judgment against the nonsurviving party to the articles **OF MERGER OR CONSOLIDATION** constitutes a lien on the property of the successor.

(2) A merger **OR CONSOLIDATION** does not impair the rights of creditors or any liens on the property of any **[business] STATUTORY trust, [corporation, partnership, limited partnership, or limited liability company] OTHER BUSINESS ENTITY, OR FOREIGN BUSINESS ENTITY** party to the articles **OF MERGER OR CONSOLIDATION**.

12-611.

(A) **IN THE EVENT THAT A STATUTORY TRUST DOES NOT HAVE PERPETUAL EXISTENCE, A STATUTORY TRUST SHALL BE DISSOLVED AND ITS AFFAIRS WOUND UP AS PROVIDED IN ITS GOVERNING INSTRUMENT.**

(B) **ON DISSOLUTION OF A STATUTORY TRUST AND UNTIL THE FILING OF A CERTIFICATE OF CANCELLATION AS PROVIDED IN § 12-204(D) OF THIS TITLE, THE TRUSTEES OR OTHER PERSONS WHO ARE RESPONSIBLE FOR WINDING UP THE AFFAIRS OF THE STATUTORY TRUST:**

(1) **SHALL COLLECT AND DISTRIBUTE THE ASSETS OF THE STATUTORY TRUST, APPLYING THEM TO THE PAYMENT, SATISFACTION, AND DISCHARGE OF EXISTING DEBTS AND OBLIGATIONS OF THE STATUTORY TRUST, INCLUDING REASONABLE EXPENSES OF LIQUIDATION, AND DISTRIBUTE THE REMAINING ASSETS AMONG THE BENEFICIAL OWNERS; AND**

(2) **MAY CARRY OUT THE CONTRACTS OF THE STATUTORY TRUST, SELL ALL OR ANY PART OF THE ASSETS OF THE STATUTORY TRUST AT PUBLIC OR PRIVATE SALE, SUE OR BE SUED IN THE NAME OF THE STATUTORY TRUST, AND DO ALL OTHER ACTS CONSISTENT WITH LAW AND THE GOVERNING INSTRUMENT OF THE STATUTORY TRUST NECESSARY OR PROPER TO LIQUIDATE THE STATUTORY TRUST AND WIND UP ITS AFFAIRS.**

(C) **ANY PERSON, INCLUDING ANY TRUSTEE, WHO IS RESPONSIBLE FOR WINDING UP THE AFFAIRS OF A STATUTORY TRUST AND WHO HAS COMPLIED WITH SUBSECTION (B) OF THIS SECTION IS NOT PERSONALLY LIABLE TO ANY CLAIMANT OF THE DISSOLVED STATUTORY TRUST BY REASON OF THE PERSON'S ACTIONS IN WINDING UP THE STATUTORY TRUST.**

(D) (1) **EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT OF A STATUTORY TRUST:**

(I) A SERIES OR CLASS ESTABLISHED IN ACCORDANCE WITH § 12-207(B) OF THIS TITLE MAY BE DISSOLVED AND ITS AFFAIRS WOUND UP WITHOUT CAUSING THE DISSOLUTION OF THE STATUTORY TRUST OR ANY OTHER SERIES OR CLASS OF THE STATUTORY TRUST;

(II) THE DISSOLUTION, WINDING UP, LIQUIDATION, OR TERMINATION OF THE STATUTORY TRUST OR ANY SERIES OR CLASS OF THE STATUTORY TRUST SHALL NOT AFFECT THE LIMITATION OF LIABILITY PROVIDED BY §12-501(D) OF THIS TITLE WITH RESPECT TO A SERIES OR CLASS ESTABLISHED IN ACCORDANCE WITH § 12-207(B) OF THIS TITLE; AND

(III) THE DEATH, INCAPACITY, DISSOLUTION, TERMINATION, OR BANKRUPTCY OF A BENEFICIAL OWNER OF A SERIES OR CLASS DESCRIBED IN ITEM (II) OF THIS PARAGRAPH SHALL NOT RESULT IN THE TERMINATION OR DISSOLUTION OF THE SERIES OR CLASS, AND THE SERIES OR CLASS MAY NOT BE TERMINATED OR REVOKED BY A BENEFICIAL OWNER OF THE SERIES OR CLASS OR OTHER PERSON EXCEPT IN ACCORDANCE WITH THE TERMS OF THE GOVERNING INSTRUMENT.

(2) A SERIES OR CLASS ESTABLISHED IN ACCORDANCE WITH § 12-207(B) OF THIS TITLE SHALL BE DISSOLVED AND ITS AFFAIRS WOUND UP AS PROVIDED IN THE GOVERNING INSTRUMENT.

(3) ON DISSOLUTION OF A SERIES OR CLASS OF A STATUTORY TRUST, THE PERSONS WHO ARE RESPONSIBLE FOR WINDING UP THE AFFAIRS OF THE SERIES OR CLASS, IN THE NAME OF THE STATUTORY TRUST AND FOR AND ON BEHALF OF THE STATUTORY TRUST AND THE SERIES OR CLASS:

(I) SHALL PROVIDE FOR THE CLAIMS AND OBLIGATIONS OF THE SERIES OR CLASS AND DISTRIBUTE THE ASSETS OF THE SERIES OR CLASS AS PROVIDED UNDER SUBSECTION (B)(1) OF THIS SECTION; AND

(II) MAY TAKE ALL ACTIONS WITH RESPECT TO THE SERIES OR CLASS SET FORTH IN SUBSECTION (B)(2) OF THIS SECTION.

(4) ANY PERSON, INCLUDING ANY TRUSTEE, WHO IS RESPONSIBLE FOR WINDING UP THE AFFAIRS OF A SERIES OR CLASS WHO HAS COMPLIED WITH PARAGRAPH (3) OF THIS SUBSECTION MAY NOT BE PERSONALLY LIABLE TO THE CLAIMANTS OF THE DISSOLVED SERIES OR CLASS BY REASON OF THE PERSON'S ACTIONS IN WINDING UP THE SERIES OR CLASS.

Fees for documents filed or requested under this title shall be as provided for in § 1-203 of this article.

12-801.

(a) (1) Except with respect to a tax collectible locally, the State Comptroller shall certify to the Department, as soon as practicable after October 1 of each year, a list of every Maryland [business] **STATUTORY** trust that has not paid a tax that was due before October 1 of the year.

(2) When the Comptroller certifies the list to the Department, the Comptroller shall mail to each listed [business] **STATUTORY** trust, at the [business] **STATUTORY** trust's address as it appears on the Comptroller's records, a notice that the [business] **STATUTORY** trust's right to do business in the State and the right to the use of its name will be forfeited unless the [business] **STATUTORY** trust pays all taxes, interest, and penalties due.

(3) The failure of a [business] **STATUTORY** trust to receive the notice mailed in accordance with paragraph (2) of this subsection does not affect the forfeiture of the [business] **STATUTORY** trust's right to do business in the State or to use its name.

(b) (1) As soon as practicable after October 1 of each year, the Secretary of Labor, Licensing, and Regulation shall certify to the Department a list of every Maryland [business] **STATUTORY** trust that has not paid an unemployment insurance contribution or made a reimbursement payment that was due before October 1 of the year.

(2) When the Secretary certifies the list to the Department, the Secretary shall mail to each listed [business] **STATUTORY** trust, at the [business] **STATUTORY** trust's address as it appears on the Secretary's records, a notice that the [business] **STATUTORY** trust's right to do business in the State and the right to the use of its name will be forfeited unless the [business] **STATUTORY** trust pays all contributions, reimbursement payments, interest, and penalties due.

(3) The failure of a [business] **STATUTORY** trust to receive the notice mailed in accordance with paragraph (2) of this subsection does not affect the forfeiture of the [business] **STATUTORY** trust's right to do business in the State or to use its name.

(c) As soon as practicable after October 1 of each year, the Department shall certify a list of every Maryland [business] **STATUTORY** trust that has not filed an annual report with the Department as required by law or has not paid a tax that was due before October 1 of the year.

(d) After the lists are certified, the Department shall issue a proclamation declaring, for each [business] **STATUTORY** trust included on a list, that the right to do business in the State and to use the name of the [business] **STATUTORY** trust is forfeited as of the date of the proclamation, without proceedings of any kind at law or at equity.

12-802.

(a) (1) Within 10 days after the issuance of a proclamation under § 12-801(d) of this subtitle, the Department shall mail notice of the proclamation to each [business] **STATUTORY** trust named in the proclamation.

(2) The notice shall be addressed to the [business] **STATUTORY** trust at the [business] **STATUTORY** trust's mailing address on file with the Department or, if none, at any other address for the [business] **STATUTORY** trust appearing on the records of the Department.

(b) A [business] **STATUTORY** trust that pays all taxes, unemployment insurance contributions, reimbursement payments, interest, and penalties due within 60 days after the issuance of the proclamation shall have its right to do business in the State and to use its name reinstated in accordance with § 12-805 of this subtitle retroactive to the date of forfeiture.

12-803.

(a) If the Department is satisfied that a [business] **STATUTORY** trust named in a proclamation issued under § 12-801(d) of this subtitle has not failed to pay the taxes, unemployment insurance contributions, or reimbursement payments, or to file the report within the period specified in § 12-801 of this subtitle, or that the [business] **STATUTORY** trust has been mistakenly reported to the Department by the State Comptroller or the Secretary of Labor, Licensing, and Regulation, the Department may file in its records a proclamation correcting the mistake.

(b) The effect of a proclamation correcting a mistake under subsection (a) of this section is to restore the right of the [business] **STATUTORY** trust to do business in the State and to use the name of the [business] **STATUTORY** trust as if the right had at all times remained in full force and effect.

12-804.

This subtitle does not repeal, supersede, or in any manner affect any remedy or provision of law:

- (1) For the collection of taxes, unemployment insurance contributions, or reimbursement payments and any interest and penalties due; or
- (2) To compel the filing of annual reports.

12-805.

If the authority of a [business] **STATUTORY** trust to do business in the State and to use its name has been forfeited for nonpayment of taxes, unemployment insurance contributions, or reimbursement payments, or for failure to file an annual report, the [business] **STATUTORY** trust may apply for reinstatement by filing a certificate of reinstatement with the Department in accordance with § 12-806 of this subtitle.

12-806.

A certificate of reinstatement shall include:

- (1) The name of the [business] **STATUTORY** trust at the time its right to do business in the State was forfeited;
- (2) The name that the [business] **STATUTORY** trust will use after reinstatement, which shall comply with the provisions of this article with respect to [business] **STATUTORY** trust names;
- (3) The address of the principal office of the [business] **STATUTORY** trust in the State if different from its principal office in the State at the time the right to do business in the State was forfeited; and
- (4) The name and address of the resident agent of the [business] **STATUTORY** trust.

12-807.

The Department may not accept a certificate of reinstatement for record unless:

- (1) All annual reports required to be filed by the [business] **STATUTORY** trust, or which would have been required if the right to do business in the State had not been forfeited, are filed; and
- (2) Unemployment insurance contributions or reimbursement payments, all State and local taxes, except taxes on real estate, and all interest and penalties due by the [business] **STATUTORY** trust, or which would have become due if the right to do business had not been forfeited, are paid, whether or not barred by limitations.

12-808.

Except in a proceeding by the State or any of its political subdivisions, the acceptance of a certificate of reinstatement for record by the Department is conclusive evidence of:

- (1) The payment of all fees, taxes, unemployment insurance contributions, and reimbursement payments required to be paid;
- (2) The filing of all reports required to be filed; and
- (3) The reinstatement of the right of the [business] **STATUTORY** trust to do business in the State.

12-809.

(a) Any person that transacts business in the name of, or for the account of, a [business] **STATUTORY** trust knowing that the [business] **STATUTORY** trust's right to do business in the State has been forfeited and has not been reinstated at the time the business was transacted is guilty of a misdemeanor and on conviction is subject to a fine of not more than \$500.

(b) A prosecution for a violation of subsection (a) of this section, concerning acts alleged to have occurred while the right of a [business] **STATUTORY** trust to do business in the State was forfeited, may not be instituted after the date that a certificate of reinstatement of the [business] **STATUTORY** trust is filed.

12-810.

The forfeiture of the right to do business in the State and the right to the use of the name of the [business] **STATUTORY** trust under this title does not:

- (1) Impair the validity of a contract entered into by the [business] **STATUTORY** trust or any act of the [business] **STATUTORY** trust before or after the forfeiture; or
- (2) Prevent the [business] **STATUTORY** trust from defending any action, suit, or proceeding in a court of the State.

SUBTITLE 9. FOREIGN STATUTORY TRUSTS.

12-901.

(A) SUBJECT TO THE MARYLAND CONSTITUTION:

(1) THE LAWS OF THE JURISDICTION UNDER WHICH A FOREIGN STATUTORY TRUST IS FORMED GOVERN ITS ORGANIZATION, INTERNAL AFFAIRS, AND THE LIABILITY OF ITS TRUSTEES; AND

(2) A FOREIGN STATUTORY TRUST MAY NOT BE DENIED REGISTRATION BY REASON OF ANY DIFFERENCE BETWEEN THE LAWS UNDER WHICH THE FOREIGN STATUTORY TRUST IS FORMED AND THE LAWS OF THIS STATE.

(B) A FOREIGN STATUTORY TRUST MAY NOT DO ANY KIND OF INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WHICH THE LAWS OF THIS STATE PROHIBIT A DOMESTIC STATUTORY TRUST FROM DOING.

12-902.

(A) BEFORE DOING ANY INTERSTATE, INTRASTATE, OR FOREIGN BUSINESS IN THIS STATE, A FOREIGN STATUTORY TRUST SHALL REGISTER WITH THE DEPARTMENT.

(B) TO REGISTER, A FOREIGN STATUTORY TRUST SHALL SUBMIT TO THE DEPARTMENT AN APPLICATION FOR REGISTRATION AS A FOREIGN STATUTORY TRUST EXECUTED BY AN AUTHORIZED PERSON AND SETTING FORTH:

(1) THE NAME OF THE FOREIGN STATUTORY TRUST AND, IF DIFFERENT, THE NAME UNDER WHICH IT PROPOSES TO REGISTER AND DO BUSINESS IN THIS STATE;

(2) THE JURISDICTION UNDER THE LAWS OF WHICH IT WAS FORMED AND THE DATE OF ITS FORMATION;

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

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

(5) A STATEMENT THAT THE DEPARTMENT IS APPOINTED AS THE RESIDENT AGENT OF THE FOREIGN STATUTORY TRUST IF NO RESIDENT AGENT HAS BEEN DESIGNATED UNDER ITEM (4) OF THIS SUBSECTION OR, IF A RESIDENT AGENT HAS BEEN DESIGNATED, THE RESIDENT AGENT'S AUTHORITY HAS BEEN REVOKED OR THE RESIDENT AGENT CANNOT BE FOUND OR SERVED WITH THE EXERCISE OF REASONABLE DILIGENCE; AND

(6) THE ADDRESS OF THE OFFICE REQUIRED TO BE MAINTAINED IN THE JURISDICTION OF ITS FORMATION BY THE LAWS OF THAT JURISDICTION OR, IF NOT SO REQUIRED, OF THE PRINCIPAL OFFICE OF THE FOREIGN STATUTORY TRUST.

12-903.

A FOREIGN STATUTORY TRUST MAY REGISTER WITH THE DEPARTMENT UNDER ANY NAME, WHETHER OR NOT IT IS THE NAME UNDER WHICH IT IS REGISTERED IN ITS JURISDICTION OF FORMATION, AS PROVIDED UNDER TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

12-904.

IF ANY STATEMENT IN THE APPLICATION FOR REGISTRATION OF A FOREIGN STATUTORY TRUST IS FALSE WHEN MADE OR ANY ARRANGEMENTS OR OTHER FACTS DESCRIBED HAVE CHANGED MAKING THE APPLICATION INACCURATE IN ANY RESPECT, A FOREIGN STATUTORY TRUST SHALL PROMPTLY FILE WITH THE DEPARTMENT A CERTIFICATE, EXECUTED BY AN AUTHORIZED PERSON, CORRECTING THE STATEMENT.

12-905.

(A) A FOREIGN STATUTORY TRUST MAY CANCEL ITS REGISTRATION BY FILING WITH THE DEPARTMENT A CERTIFICATE OF CANCELLATION EXECUTED BY AN AUTHORIZED PERSON.

(B) THE FILING OF A CERTIFICATE OF CANCELLATION DOES NOT TERMINATE THE AUTHORITY OF THE DEPARTMENT TO ACCEPT SERVICE OF PROCESS ON THE FOREIGN STATUTORY TRUST WITH RESPECT TO CAUSES OF ACTION ARISING OUT OF DOING BUSINESS IN THIS STATE.

12-906.

(A) IF A FOREIGN STATUTORY TRUST IS DOING OR HAS DONE ANY INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT COMPLYING WITH THE REQUIREMENTS OF THIS SUBTITLE, THE FOREIGN STATUTORY TRUST AND ANY PERSON CLAIMING UNDER IT MAY NOT MAINTAIN SUIT IN ANY COURT IN THIS STATE, UNLESS THE STATUTORY TRUST SHOWS TO THE SATISFACTION OF THE COURT THAT:

(1) THE FOREIGN STATUTORY TRUST OR THE PERSON CLAIMING UNDER IT HAS PAID THE PENALTY SPECIFIED IN SUBSECTION (D)(1) OF THIS SECTION; AND

(2) (I) THE FOREIGN STATUTORY TRUST OR A FOREIGN STATUTORY TRUST SUCCESSOR TO IT HAS COMPLIED WITH THE REQUIREMENTS OF THIS TITLE; OR

(II) THE FOREIGN STATUTORY TRUST AND ANY FOREIGN STATUTORY TRUST SUCCESSOR TO IT ARE NO LONGER DOING INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE.

(B) THE FAILURE OF A FOREIGN STATUTORY TRUST TO REGISTER IN THIS STATE DOES NOT:

(1) IMPAIR THE VALIDITY OF A CONTRACT OR ACT OF THE FOREIGN STATUTORY TRUST; OR

(2) PREVENT THE FOREIGN STATUTORY TRUST FROM DEFENDING ANY ACTION, SUIT, OR PROCEEDING IN A COURT OF THIS STATE.

(C) A FOREIGN STATUTORY TRUST, BY DOING BUSINESS IN THIS STATE WITHOUT REGISTRATION, APPOINTS THE DEPARTMENT AS ITS AGENT FOR SERVICE OF PROCESS WITH RESPECT TO CAUSES OF ACTION ARISING OUT OF DOING BUSINESS IN THIS STATE.

(D) (1) (I) IF A FOREIGN STATUTORY TRUST DOES ANY INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE WITHOUT REGISTERING, THE DEPARTMENT SHALL IMPOSE A PENALTY OF \$200 ON THE FOREIGN STATUTORY TRUST.

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

(2) A TRUSTEE OR AN AGENT WHO TRANSACTS INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE ON BEHALF OF A FOREIGN BUSINESS TRUST THAT HAS NOT REGISTERED WITH THE DEPARTMENT IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000.

12-907.

THE ATTORNEY GENERAL MAY BRING AN ACTION TO RESTRAIN A FOREIGN STATUTORY TRUST FROM DOING BUSINESS IN THIS STATE IN VIOLATION OF THIS SUBTITLE.

12-908.

(A) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY NOT CONSTITUTE DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, THE FOLLOWING ACTIVITIES OF A FOREIGN STATUTORY TRUST DO NOT CONSTITUTE DOING BUSINESS IN THIS STATE:

(1) MAINTAINING, DEFENDING, OR SETTling AN ACTION, A SUIT, A CLAIM, A DISPUTE, OR AN ADMINISTRATIVE OR ARBITRATION PROCEEDING;

(2) HOLDING MEETINGS OF ITS TRUSTEES OR AGENTS OR CARRYING ON OTHER ACTIVITIES THAT RELATE TO ITS INTERNAL AFFAIRS;

(3) MAINTAINING BANK ACCOUNTS;

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

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

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

(7) HOLDING, PROTECTING, RENTING, MAINTAINING, AND OPERATING PROPERTY IN THIS STATE ACQUIRED AS DESCRIBED IN ITEM (6) OF THIS SUBSECTION; OR

(8) SELLING OR TRANSFERRING TITLE TO PROPERTY IN THIS STATE ACQUIRED AS DESCRIBED IN ITEM (6) OF THIS SUBSECTION TO ANY PERSON, INCLUDING THE FEDERAL HOUSING ADMINISTRATION OR THE VETERANS ADMINISTRATION.

(B) IN ADDITION TO ANY OTHER ACTIVITIES WHICH MAY CONSTITUTE DOING BUSINESS IN THIS STATE, FOR THE PURPOSES OF THIS SUBTITLE, A FOREIGN STATUTORY TRUST THAT OWNS INCOME PRODUCING REAL OR TANGIBLE PERSONAL PROPERTY IN THIS STATE, OTHER THAN PROPERTY

EXEMPTED BY SUBSECTION (A) OF THIS SECTION, SHALL BE CONSIDERED TO BE DOING BUSINESS IN THIS STATE.

12-909.

BY DOING INTRASTATE, INTERSTATE, OR FOREIGN BUSINESS IN THIS STATE, A FOREIGN STATUTORY TRUST ASSENTS TO THE LAWS OF THIS STATE.

12-910.

WITH RESPECT TO A CAUSE OF ACTION AS TO WHICH A FOREIGN STATUTORY TRUST WOULD NOT OTHERWISE BE SUBJECT TO SUIT IN THIS STATE, COMPLIANCE WITH THIS SUBTITLE:

(1) DOES NOT OF ITSELF RENDER A FOREIGN STATUTORY TRUST SUBJECT TO SUIT IN THIS STATE; AND

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

12-911.

(A) IF A FOREIGN STATUTORY TRUST THAT OWNS PROPERTY RIGHTS, PRIVILEGES, FRANCHISES, OR OTHER ASSETS LOCATED IN THIS STATE IS A PARTY TO A MERGER IN WHICH A FOREIGN BUSINESS ENTITY IS THE SUCCESSOR, THE TRANSFER TO, VESTING IN, OR DEVOLUTION ON THE SUCCESSOR OF THE PROPERTY RIGHTS, PRIVILEGES, FRANCHISES, OR OTHER ASSETS OF THE NONSURVIVING FOREIGN STATUTORY TRUST IS EFFECTIVE AS PROVIDED BY THE LAWS OF THE JURISDICTION THAT GOVERNS THE MERGER.

(B) THE SUCCESSOR DESCRIBED IN SUBSECTION (A) OF THIS SECTION SHALL FILE WITH THE DEPARTMENT A CERTIFICATE EXECUTED BY AN AUTHORIZED PERSON THAT SPECIFIES:

(1) EACH COUNTY IN THIS STATE WHERE A FOREIGN STATUTORY TRUST PARTY TO THE MERGER, EXCEPT THE SUCCESSOR, OWNED AN INTEREST IN LAND;

(2) THE NAME OF EACH PARTY TO THE MERGER;

(3) THE JURISDICTION UNDER THE LAWS OF WHICH EACH PARTY WAS FORMED; AND

(4) THE NAME OF THE SUCCESSOR.

(C) IF A COPY OF THE DOCUMENT EFFECTING THE MERGER HAS NOT BEEN FILED WITH THE DEPARTMENT AS PROVIDED IN § 12-205 OF THIS TITLE, THE SUCCESSOR SHALL FILE WITH THE DEPARTMENT AN OFFICIALLY CERTIFIED COPY OF THAT DOCUMENT.

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, WHEN THE DEPARTMENT RECEIVES THE ARTICLES AND ANY CERTIFICATE OF THE SUCCESSOR, THE DEPARTMENT SHALL PREPARE AND FILE CERTIFICATES OF MERGER IN THE MANNER PROVIDED FOR A STATUTORY TRUST.

(2) THE CERTIFICATE OF MERGER:

(I) NEED NOT STATE THE PRINCIPAL OFFICE IN THE STATE OF A FOREIGN STATUTORY TRUST THAT DOES NOT HAVE A PRINCIPAL OFFICE; AND

(II) SHALL INCLUDE OTHER INFORMATION SPECIFIED IN THE CERTIFICATE FILED BY THE SUCCESSOR.

12-912.

(A) THE DEPARTMENT MAY FORFEIT THE RIGHT OF A FOREIGN STATUTORY TRUST TO DO BUSINESS IN THE STATE IF THE FOREIGN STATUTORY TRUST FAILS TO FILE WITH THE DEPARTMENT ANY REPORT OR FAILS TO PAY ANY LATE FILING PENALTY REQUIRED BY LAW:

(1) WITHIN THE TIME REQUIRED BY LAW; AND

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

(B) UNLESS THE DEPARTMENT EXCUSES A REASONABLE DELAY FOR GOOD CAUSE SHOWN, THE FORFEITURE IS EFFECTIVE 15 DAYS AFTER WRITTEN NOTICE OF FORFEITURE FROM THE DEPARTMENT WITHOUT LEGAL PROCEEDINGS OF ANY KIND.

(C) THE DEMAND FOR A DELINQUENT REPORT OR LATE FILING PENALTY AND THE NOTICE OF FORFEITURE SHALL BE ADDRESSED TO THE FOREIGN STATUTORY TRUST:

(1) AT THE ADDRESS OF THE FOREIGN STATUTORY TRUST ON FILE WITH THE DEPARTMENT; OR

(2) IF THE FOREIGN STATUTORY TRUST HAS NO ADDRESS ON FILE WITH THE DEPARTMENT, IN CARE OF THE SECRETARY OF STATE OR CORRESPONDING OFFICIAL OF THE JURISDICTION IN WHICH THE FOREIGN STATUTORY TRUST WAS FORMED OR IS EXISTING, IF KNOWN TO THE DEPARTMENT.

(D) ON FORFEITURE OF THE RIGHT OF A FOREIGN STATUTORY TRUST TO DO BUSINESS IN THE STATE, THE FOREIGN STATUTORY TRUST IS SUBJECT TO THE SAME RULES, LEGAL PROVISIONS, AND SANCTIONS AS IF IT HAD NEVER REGISTERED TO DO BUSINESS IN THE STATE.

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

Article 1 – Rules of Interpretation

15.

Unless such a construction would be unreasonable, the word person shall include corporation, partnership, business trust, **STATUTORY TRUST**, or limited liability company.

Article 66B – Land Use

14.09.

(c) Notwithstanding any other provisions of this article or of the local laws of Worcester County, an application for zoning classification or reclassification shall contain the following information:

(4) If the applicant is a joint venture, unincorporated association, real estate investment trust, or other business trust **OR STATUTORY TRUST**, the names and residences of all persons holding an interest of more than 20% in the joint venture, unincorporated association, real estate investment trust, or other business trust **OR STATUTORY TRUST**, respectively.

Article – Business Regulation

4-401.

(i) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, governmental agency or instrumentality, public corporation, or any other legal or commercial entity.

Article – Commercial Law

1-201.

Subject to additional definitions contained in the subsequent titles of this article which are applicable to specific titles or subtitles thereof, and unless the context otherwise requires, in Titles 1 through 10 of this article:

(28) “Organization” includes a corporation, government or governmental subdivision or agency, business trust, **STATUTORY TRUST**, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

8-103.

(a) A share or similar equity interest issued by a corporation, business trust, **STATUTORY TRUST**, joint stock company, or similar entity is a security.

11-201.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-301.

(j) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-401.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-501.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-601.

(g) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-701.

(c) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-801.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-901.

In this subtitle, “person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-1101.

(d) (1) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, 2 or more persons having a joint or common interest, or any other legal commercial entity.

(2) “Person” includes a liquidation service.

11-1201.

(d) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

12-101.

(g) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-301.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-401.

(h) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-501.

(k) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-601.

(q) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-701.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-801.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

12-901.

(f) (1) “Credit grantor” means any individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity making a

loan or other extension of credit under this subtitle which is incorporated, chartered, or licensed pursuant to State or federal law, the lending operations of which are subject to supervision, examination, and regulation by a State or federal agency or which is licensed under Title 12, Subtitle 4 of the Financial Institutions Article or is a retailer.

12-1001.

(g) (1) “Credit grantor” means any individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity making a loan or other extension of credit under this subtitle which is incorporated, chartered, or licensed pursuant to State or federal law, the lending operations of which are subject to supervision, examination, and regulation by a State or federal agency or which is licensed under Title 12, Subtitle 4 of the Financial Institutions Article or is a retailer.

13-101.

(h) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-101.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-201.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-301.

(e) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-401.

(f) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-501.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-601.

(c) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-701.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-801.

(b) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-901.

(i) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-1001.

(d) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-1201.

(j) “Person” includes an individual, corporation, government or governmental subdivision or agency, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, and any other legal or commercial entity.

14-1301.

(c) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-1901.

(g) "Person" includes an individual, corporation, government or governmental subdivision or agency, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, 2 or more persons having a joint or common interest, and any other legal or commercial entity.

14-2801.

(d) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14-3401.

(c) (1) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other commercial entity.

(2) "Person" does not include a unit of State or local government.

14-3601.

(h) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

15-102.

(a) (2) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

15-301.

(e) "Person" includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

16-101.

(d) “Person” includes the State, any county, municipal corporation, or other political subdivision of the State, or any of their units, or an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

17–101.

(e) “Business association” means any corporation, joint stock company, business trust, **STATUTORY TRUST**, partnership, or any association for business purposes of two or more individuals.

(l) “Person” includes the State, any county, municipal corporation, or other political subdivision of the State, or any of their units, an individual, business association, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

18–101.

(e) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

21–101.

(m) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation, or any other legal or commercial entity.

22–102.

(a) In this title:

(51) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, governmental subdivision, instrumentality, or agency, public corporation, or any other legal or commercial entity.

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.

[(e)] (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.

[(f)] (G) “Charter document” means any:

- (1) Document enumerated in subsection **[(e)] (F)** of this section; and
- (2) Articles of reduction, articles or agreements of transfer, articles of merger, articles of share exchange, articles of dissolution, and stock issuance statements.

[(g)] (H) “Clerk of the court” means clerk of the circuit court for any county.

[(h)] (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.

[(i)] (J) “County” includes Baltimore City.

[(j)] (K) “Department” means the State Department of Assessments and Taxation.

[(k)] (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.

[(l)] (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.

[(m)] (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.

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

[(o)] (P) “Maryland corporation” means a corporation organized and existing under the laws of the State.

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

[(q)] (R) “Person” includes an individual, 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.

[(r)] (S) “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.

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

[(t)] (U) “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.

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

[(v)] (W) “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.

[(w)] (X) “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.

[(x)] (Y) “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.

[(y)] (Z) “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) (3) (ii) For each of the following documents which are filed but not recorded, the filing fee is as indicated:

Annual report of a Maryland corporation, except a charitable or benevolent institution, nonstock corporation, savings and loan corporation, credit union, family farm, and banking institution	\$300
Annual report of a foreign corporation subject to the jurisdiction of this State, except a national banking association, savings and loan association, credit union, nonstock corporation, and charitable and benevolent institution.....	\$300
Annual report of a Maryland savings and loan association, banking institution, or credit union or of a foreign savings and loan association, national banking association, or credit union that is subject to the jurisdiction of this State	\$300
Annual report of a Maryland limited liability company, limited liability partnership, limited partnership, or of a foreign limited liability company, foreign limited liability partnership, or foreign limited partnership, except a family farm.....	\$300
Annual report of a business trust.....	\$300
Annual report of a real estate investment trust OR FOREIGN STATUTORY TRUST doing business in this State.....	\$300

Annual report of a family farm \$100

1-301.

(a) Articles supplementary and articles of amendment, restatement, restatement and amendment, consolidation, merger, share exchange, transfer, 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, [business] **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, its chief executive officer, chief operating officer, president or one of its vice presidents;

(2) They shall be witnessed or attested by the secretary or an assistant secretary of each corporation, [business] **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, [business] **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; 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, [business] **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, or by the chairman or vice chairman of the board of directors or board of trustees, chief executive officer, chief operating officer, president, vice president, secretary, or assistant secretary of the corporation, [business] **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, 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.

3–101.

(b) [“Business] **“DOMESTIC BUSINESS trust” OR “BUSINESS TRUST”** means [an unincorporated trust or association, including a common-law trust, Massachusetts trust, or Maryland real estate investment trust as defined in § 8–101(b) of this article, which is engaged in business and in which property is acquired, held, managed, administered, controlled, invested, or disposed of by trustees for the benefit and profit of any person who may become a holder of a transferable unit of beneficial interest in the trust] **A BUSINESS TRUST FORMED UNDER THE LAWS OF THE STATE.**

3–102.

(a) A Maryland corporation having capital stock may:

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

4A–101.

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

(b) “Articles of organization” means the articles of organization filed with the Department for the purpose of forming a limited liability company as specified in § 4A–204 of this title and includes all amendments and restatements of them.

(c) “Authorized person” means any person, whether or not a member, who is authorized by the articles of organization, by an operating agreement, or otherwise, to execute or file a document required or permitted to be executed or filed on behalf of a limited liability company or foreign limited liability company under this title, or to otherwise act as an agent of the limited liability company.

(d) “Bankrupt” means bankrupt under the federal Bankruptcy Code as amended or insolvent under any state insolvency act.

[(e) “Business trust” means a business trust or a foreign business trust as defined in § 8–501.1 of this article.]

[(f) **(E)** “Capital contribution” means anything of value that a person contributes as capital to the limited liability company in that person’s capacity as a member, including cash, property, services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.

[(g)] (F) “Capital interest” means the fair market value, as of the date contributed, of a member’s capital contribution, whether or not returned to the member.

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

[(i)] (H) “Court” includes every court having jurisdiction in the case.

[(j)] (I) “Foreign limited liability company” means a limited liability company formed under the laws of a state other than the State of Maryland.

[(k)] (J) “Interest” means a member’s share of the profits and losses of the limited liability company and the right to receive distributions from the limited liability company.

[(l)] (K) “Limited liability company” or “domestic limited liability company” means a permitted form of unincorporated business organization which is organized and existing under this title.

[(m)] (L) “Limited partnership” means a Maryland limited partnership or foreign limited partnership as defined in § 10–101 of this article.

[(n)] (M) (1) “Member” means a person with an interest in a limited liability company with the rights and obligations specified under this title.

(2) “Member” includes a person who has been admitted as a member of a limited liability company organized in the State or a foreign limited liability company.

[(o)] (N) “Operating agreement” means the agreement and any amendments thereto, of the members as to the affairs of a limited liability company and the conduct of its business.

[(p)] (O) “Partnership” means a partnership formed under the laws of this State, any other state, or under the laws of a foreign country.

[(q)] (P) (1) “Professional service” has the meaning stated in § 5–101 of this article.

(2) “Professional service” includes a service provided by:

(i) An architect;

(ii) An attorney;

- (iii) A certified public accountant;
- (iv) A chiropractor;
- (v) A dentist;
- (vi) An osteopath;
- (vii) A physician;
- (viii) A podiatrist;
- (ix) A professional engineer;
- (x) A psychologist;
- (xi) A licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson; or
- (xii) A veterinarian.

[(r)] (Q) “State” means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

8–103.

(a) This title does not limit present law as it applies to the creation of or doing of business in the State by[:

- (1) A “common-law trust”;
- (2) A] A “business trust”[; or
- (3) A “Massachusetts trust.”] **OTHER THAN A MARYLAND REAL ESTATE INVESTMENT TRUST.**

8–501.1.

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

[(2) “Business trust” means an unincorporated trust or association, including a Maryland real estate investment trust, a common-law trust, or a Massachusetts trust, which is engaged in business and in which property is acquired, held, managed, administered, controlled, invested, or disposed of for the benefit and

profit of any person who may become a holder of a transferable unit of beneficial interest in the trust.]

[(3)] (2) “Domestic limited liability company” means a limited liability company formed under the laws of the State.

[(4)] (3) “Domestic limited partnership” means a partnership formed by 2 or more persons under the laws of the State and having one or more general partners and one or more limited partners.

[(5)] (4) “Domestic partnership” or “partnership” means a partnership formed under the laws of the State.

[(6)] (5) “Foreign business trust” means a business trust organized under the laws of the United States, another state of the United States, or a territory, possession, or district of the United States, or under the laws of a foreign country.

[(7)] (6) “Foreign limited liability company” means a limited liability company formed under the laws of any state other than the State of Maryland or under the laws of a foreign country.

[(8)] (7) “Foreign limited partnership” means a partnership formed under the laws of any state other than the State of Maryland or under the laws of a foreign country and having as partners one or more general partners and one or more limited partners.

[(9)] (8) “Foreign partnership” means a partnership formed under the laws of any state, other than this State, or under the laws of a foreign country.

[(10)] (9) “Maryland real estate investment trust” means a real estate investment trust in compliance with the provisions of this title.

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

(1) A foreign business trust, a Maryland business trust, other than a Maryland real estate investment trust, a corporation, a domestic or foreign partnership, or a domestic or foreign limited partnership party to the merger shall have the merger advised, authorized, and approved in the manner and by the vote required by its declaration of trust, **GOVERNING INSTRUMENT**, charter, or partnership agreement and the laws of the place where it is organized;

9A-101.

(N) “REAL ESTATE INVESTMENT TRUST” MEANS A MARYLAND REAL ESTATE INVESTMENT TRUST AS DEFINED IN § 8–101 OF THIS ARTICLE.

[(n)] (O) “State” means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

[(o)] (P) “Statement” means a statement of partnership authority under § 9A–303 of this title, a statement of denial under § 9A–304 of this title, a statement of dissociation under § 9A–704 of this title, a statement of dissolution under § 9A–805 of this title, or an amendment or cancellation of any of the foregoing.

(Q) “STATUTORY TRUST” MEANS A MARYLAND STATUTORY TRUST AS DEFINED IN § 12–101 OF THIS ARTICLE.

[(p)] (R) “Transfer” includes an assignment, conveyance, lease, mortgage, deed, and encumbrance.

9A–902.

(c) A **[business] REAL ESTATE INVESTMENT** trust shall approve the merger under the provisions of § 8–501.1 of this article.

(H) A STATUTORY TRUST SHALL APPROVE THE MERGER UNDER THE PROVISIONS OF § 12–602 OF THIS ARTICLE.

(I) A BUSINESS TRUST, OTHER THAN A MARYLAND REAL ESTATE INVESTMENT TRUST OR STATUTORY TRUST, SHALL HAVE THE MERGER APPROVED IN THE MANNER AND BY THE VOTE REQUIRED BY THE LAWS OF THE PLACE WHERE IT IS FORMED.

10–208.

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

[(2)] (2) “Business trust” means a business trust or a foreign business trust as defined in § 8–501.1 of this article.]

[(3)] (2) “Corporation” means a Maryland corporation or a foreign corporation.

[(4)] (3) “Limited liability company” means a Maryland or a foreign limited liability company as defined by § 4A–101 of this article.

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

[(6)] (5) “Foreign partnership” means a partnership formed under the laws of any state, other than this State, or under the laws of a foreign country.

Article – Courts and Judicial Proceedings

9–401.

(d) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

Article – Criminal Law

8–213.

(f) (1) “Person” has the meaning stated in § 1–101 of this article.

(2) “Person” includes a business trust, **STATUTORY TRUST**, estate, trust, and two or more persons having a joint or common interest.

Article – Environment

1–801.

(h) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

Article – Estates and Trusts

9–201.

(i) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, governmental subdivision, governmental agency, governmental instrumentality, public corporation, legal entity, or commercial entity.

11–102.

(b) Subject to §§ 4–409 of this article and 11–103 of this subtitle, the common-law rule against perpetuities as now recognized in the State is preserved, but the rule does not apply to the following:

(10) A right or privilege, including an option, warrant, pre-emptive right, right of first refusal, right of first option, right of first negotiation, call right, exchange right, or conversion right, to acquire an interest in a domestic or foreign joint venture, partnership, limited liability partnership, limited partnership, limited liability limited partnership, corporation, cooperative, limited liability company, business trust, **STATUTORY TRUST**, or similar enterprise, whether the interest is characterized as a joint venture interest, partnership interest, limited partnership interest, membership interest, security, stock, or otherwise;

15–201.

(d) “Person” includes an individual, a corporation, government or governmental subdivision or agency, business trust, **STATUTORY TRUST**, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

15–301.

(f) “Person” includes an individual, a corporation, government or governmental subdivision or agency, business trust, **STATUTORY TRUST**, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

15–401.

(g) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

15–501.

(j) “Person” means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, government; governmental subdivision, agency, or instrumentality; public corporation, or any other legal or commercial entity.

Article – Family Law

9.5–101.

(m) "Person" means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, government, public corporation, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

10-301.

(o) "Person" means an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, instrumentality, public corporation, or any other legal or commercial entity.

Article – Financial Institutions

5-401.

(b) "Affiliate" means any association, corporation, business trust, **STATUTORY TRUST**, or other similar organization that:

(1) Is not a bank service corporation and is controlled by a banking institution through:

(i) Direct or indirect ownership or control of more than 50 percent of the voting rights;

(ii) Control of the election of a majority of the management;

(iii) Direct or indirect ownership or control of more than 50 percent of the voting rights exercised at the last election of the management;

(iv) Directors of the banking institution constituting a majority of the management of the organization; or

(v) Any direct or indirect control by stockholders of the banking institution, if the stockholders own or control:

1. More than 50 percent of the voting rights in the banking institution; or

2. More than 50 percent of the voting rights exercised at the last election of directors of the banking institution; or

(2) Controls a banking institution through:

(i) Direct or indirect ownership or control of more than 50 percent of the voting rights;

(ii) Control of the election of a majority of the directors of the banking institution;

(iii) Direct or indirect ownership or control of more than 50 percent of the voting rights exercised at the last election of the directors; or

(iv) The holding of substantially all of the capital stock of the banking institution by trustees for stockholders of the organization.

(d) “Management” means the directors, trustees, or other persons exercising similar functions of an association, corporation, business trust, **STATUTORY TRUST**, or other similar organization.

8–101.

(b) “Affiliate” means any corporation, business trust, **STATUTORY TRUST**, association, partnership, sole proprietorship, or other similar organization or person of which an association or any officer, director, or controlling person of an association, directly or indirectly:

(1) Owns or controls either a majority of the voting shares or controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions; or

(2) Otherwise controls the management of that organization.

11–101.

(a) (4) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11–201.

(e) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11–401.

(h) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

11-501.

(p) “Person” means a natural person, corporation, limited liability company, partnership, business trust, **STATUTORY TRUST**, or association.

Article – Insurance

5-608.

(a) (3) “Institution” includes a corporation, joint stock association, [and] business trust, **AND STATUTORY TRUST**.

Article – Real Property

2-122.

(a) (3) “Trust” does not include:

(i) A real estate investment trust as defined in § 8-101 of the Corporations and Associations Article;

(ii) A [business] **STATUTORY** trust as defined in [§ 12-101(c)] § **12-101** of the Corporations and Associations Article; or

(iii) A trust, formed under the law of another state or a foreign country, that authorizes a trust to take, hold, and dispose of title to property in the name of the trust.

7-109.

(a) (2) “Affiliate” means any association, corporation, business trust, **STATUTORY TRUST**, or other similar organization that controls, is controlled by, or is under common control with, a financial institution, as defined in § 1-101 of the Financial Institutions Article.

10-501.

(h) “Person” includes an individual, corporation, business trust, **STATUTORY TRUST**, estate, partnership, association, 2 or more persons having a joint or common interest, or any other legal or commercial entity.

Article – Tax – General

10-102.1.

(a) (4) “Member” means:

(iv) a beneficiary of a business trust **OR STATUTORY TRUST**.

(7) “Pass-through entity” means:

(iv) a business trust **OR STATUTORY TRUST** that is not taxed as a corporation under this title.

Article – Tax – Property

11–101.

(a) On or before April 15 of each year, a person shall submit a report on personal property to the Department if:

(1) the person is a business trust, **STATUTORY TRUST**, domestic corporation, limited liability company, limited liability partnership, or limited partnership;

(2) the person is a foreign corporation, **FOREIGN STATUTORY TRUST**, foreign limited liability company, foreign limited liability partnership, or foreign limited partnership registered or qualified to do business in the State; or

(3) the person owns or during the preceding calendar year owned property that is subject to property tax.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2010.

Approved by the Governor, May 20, 2010.