

COMMENT

§ 10-114 of the prior Limited Partnership Act provided that a limited partner may receive the share of profits or compensation by way of income stipulated in the certificate, provided that after such payment is made, the partnership assets were in excess of all liabilities (except liabilities to (a) limited partners on account of their contribution and (b) general partners). Although this restriction is now lifted, the limitation on return of contributions contained in § 10-607 of this title may be applicable.

10-602. WITHDRAWAL OF GENERAL PARTNER.

A GENERAL PARTNER MAY WITHDRAW FROM A LIMITED PARTNERSHIP AT ANY TIME BY GIVING WRITTEN NOTICE TO THE OTHER PARTNERS, BUT IF THE WITHDRAWAL NOTICE VIOLATES THE PARTNERSHIP AGREEMENT, THE LIMITED PARTNERSHIP MAY RECOVER FROM THE WITHDRAWING GENERAL PARTNER DAMAGES FOR BREACH OF THE PARTNERSHIP AGREEMENT AND OFFSET THE DAMAGES AGAINST THE AMOUNT OTHERWISE DISTRIBUTABLE TO THE WITHDRAWING GENERAL PARTNER.

COMMENT

This section is new but is generally derived from § 9-609 of this article, which is part of the Maryland Uniform Partnership Act and which provides for damages in the case of a wrongful withdrawal by a general partner.

16-603. WITHDRAWAL OF LIMITED PARTNER.

A LIMITED PARTNER MAY WITHDRAW FROM A LIMITED PARTNERSHIP AT THE TIME OR ON THE HAPPENING OF EVENTS SPECIFIED IN THE CERTIFICATE AND IN ACCORDANCE WITH THE PARTNERSHIP AGREEMENT. IF THE CERTIFICATE DOES NOT SPECIFY THE TIME OR THE EVENTS ON THE HAPPENING OF WHICH A LIMITED PARTNER MAY WITHDRAW OR A DEFINITE TIME FOR THE DISSOLUTION AND WINDING UP OF THE LIMITED PARTNERSHIP, A LIMITED PARTNER MAY WITHDRAW ON NOT LESS THAN 6 MONTHS' PRIOR WRITTEN NOTICE TO EACH GENERAL PARTNER AT THE GENERAL PARTNER'S ADDRESS ON THE BOOKS OF THE LIMITED PARTNERSHIP.

COMMENT

This section is derived from § 10-115(b) of the previous Limited Partnership Act (§ 16 of the prior uniform law), although the notice need now only be delivered to the general partners instead of to "all other members". If the certificate does not specify a definite time for withdrawal, the right of a limited partner to withdraw after 6 months' notice may create practical problems. § 10-115 of the previous Limited Partnership Act required the amendment or cancellation of the certificate before either a return of a contribution or withdrawal of a limited partner could be effected; this requirement no longer exists.