

LIMITED PARTNERSHIP IS LOCATED, ON CAUSE SHOWN, MAY WIND UP THE LIMITED PARTNERSHIP'S AFFAIRS ON APPLICATION OF ANY PARTNER OR ASSIGNEE.

COMMENT

This section is new and is derived in part from § 9-608 of this article, which is part of the Maryland Uniform Partnership Act, as well as from previous § 10-109(a)(3) as noted in the Comment to § 10-802 of this title.

10-804. DISTRIBUTION OF ASSETS.

UPON THE WINDING UP OF A LIMITED PARTNERSHIP, THE ASSETS SHALL BE DISTRIBUTED AS FOLLOWS:

(1) TO CREDITORS, INCLUDING PARTNERS WHO ARE CREDITORS, TO THE EXTENT PERMITTED BY LAW, IN SATISFACTION OF LIABILITIES OF THE LIMITED PARTNERSHIP OTHER THAN LIABILITIES FOR DISTRIBUTIONS TO PARTNERS UNDER § 10-601 OR § 10-604 OF THIS TITLE;

(2) UNLESS OTHERWISE PROVIDED IN THE PARTNERSHIP AGREEMENT, TO PARTNERS AND FORMER PARTNERS IN SATISFACTION OF LIABILITIES FOR DISTRIBUTIONS UNDER § 10-601 OR § 10-604 OF THIS TITLE; AND

(3) UNLESS OTHERWISE PROVIDED IN THE PARTNERSHIP AGREEMENT, TO PARTNERS FIRST FOR THE RETURN OF THEIR CONTRIBUTIONS AND SECOND RESPECTING THEIR PARTNERSHIP INTERESTS, IN THE PROPORTIONS IN WHICH THE PARTNERS SHARE IN DISTRIBUTIONS.

COMMENT

This section revises § 10-122 of the previous Limited Partnership Act (§ 23 of the prior uniform law), by providing that (1) to the extent partners are also creditors, other than in respect to their interests in the partnership, they share with other creditors, (2) once the partnership's obligation to make a distribution accrues, it must be paid before any other distributions of an "equity nature" are made, and (3) general and limited partners rank on the same level except as otherwise provided in the partnership agreement.

SUBTITLE 9. FOREIGN LIMITED PARTNERSHIPS

10-901. LAW GOVERNING.

(A) LAW OF ORGANIZATIONAL STATE. SUBJECT TO THE CONSTITUTION OF THIS STATE:

(1) THE LAWS OF THE STATE OR COUNTRY UNDER WHICH A FOREIGN LIMITED PARTNERSHIP IS ORGANIZED GOVERN ITS ORGANIZATION AND INTERNAL AFFAIRS AND THE LIABILITY OF ITS LIMITED PARTNERS; AND