

PARTNER'S DISSOCIATION, UNLESS THE PARTNER PARTICIPATES IN WINDING UP THE PARTNERSHIP'S BUSINESS PURSUANT TO § 9-803 OF THIS TITLE.

SUBTITLE 7. PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP.

9-701. PURCHASE OF DISSOCIATED PARTNER'S INTEREST.

(A) IF A PARTNER IS DISSOCIATED FROM A PARTNERSHIP WITHOUT RESULTING IN A DISSOLUTION AND WINDING UP OF THE PARTNERSHIP BUSINESS UNDER § 9-801 OF THIS TITLE, THE PARTNERSHIP SHALL CAUSE THE DISSOCIATED PARTNER'S INTEREST IN THE PARTNERSHIP TO BE PURCHASED FOR A BUYOUT PRICE DETERMINED PURSUANT TO SUBSECTION (B) OF THIS SECTION.

(B) THE BUYOUT PRICE OF A DISSOCIATED PARTNER'S INTEREST IS THE AMOUNT THAT WOULD HAVE BEEN DISTRIBUTABLE TO THE DISSOCIATING PARTNER UNDER § 9-807(B) OF THIS TITLE IF, ON THE DATE OF DISSOCIATION, THE ASSETS OF THE PARTNERSHIP WERE SOLD AT A PRICE EQUAL TO THE GREATER OF THE LIQUIDATION VALUE OR THE VALUE BASED ON A SALE OF THE ENTIRE BUSINESS AS A GOING CONCERN WITHOUT THE DISSOCIATED PARTNER AND THE PARTNERSHIP WERE WOUND UP AS OF THAT DATE. INTEREST MUST BE PAID FROM THE DATE OF DISSOCIATION TO THE DATE OF PAYMENT.

(C) DAMAGES FOR WRONGFUL DISSOCIATION UNDER § 9-602(B) OF THIS TITLE, AND ALL OTHER AMOUNTS OWING, WHETHER OR NOT PRESENTLY DUE, FROM THE DISSOCIATED PARTNER TO THE PARTNERSHIP, MUST BE OFFSET AGAINST THE BUYOUT PRICE. INTEREST MUST BE PAID FROM THE DATE THE AMOUNT OWED BY THE DISSOCIATED PARTNER BECOMES DUE TO THE DATE OF PAYMENT.

(D) A PARTNERSHIP SHALL INDEMNIFY A DISSOCIATED PARTNER WHOSE INTEREST IS BEING PURCHASED AGAINST ALL PARTNERSHIP LIABILITIES, WHETHER INCURRED BEFORE OR AFTER THE DISSOCIATION, EXCEPT LIABILITIES INCURRED BY AN ACT OF THE DISSOCIATED PARTNER UNDER § 9-702 OF THIS SUBTITLE.

(E) IF NO AGREEMENT FOR THE PURCHASE OF A DISSOCIATED PARTNER'S INTEREST IS REACHED WITHIN 120 DAYS AFTER A WRITTEN DEMAND FOR PAYMENT, THE PARTNERSHIP SHALL PAY, OR CAUSE TO BE PAID, IN CASH TO THE DISSOCIATED PARTNER THE AMOUNT THE PARTNERSHIP ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST UNDER SUBSECTION (B) OF THIS SECTION, REDUCED BY ANY OFFSETS AND ACCRUED INTEREST UNDER SUBSECTION (C) OF THIS SECTION.

(F) IF A DEFERRED PAYMENT IS AUTHORIZED UNDER SUBSECTION (H) OF THIS SECTION, THE PARTNERSHIP MAY TENDER A WRITTEN OFFER STATING THE AMOUNT IT ESTIMATES TO BE THE BUYOUT PRICE AND ACCRUED INTEREST UNDER SUBSECTION (B) OF THIS SECTION, REDUCED BY ANY OFFSETS AND ACCRUED INTEREST UNDER SUBSECTION (C) OF THIS SECTION, STATING THE TIME OF PAYMENT AND THE OTHER TERMS AND CONDITIONS OF THE OBLIGATION.