

12-208.

EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE GOVERNING INSTRUMENT OF A BUSINESS TRUST, THE TRUSTEES SHALL CHOOSE AND SUPERVISE THE OFFICERS, MANAGERS, EMPLOYEES, AND OTHER PERSONS OF THE BUSINESS TRUST.

SUBTITLE 3. BENEFICIAL OWNERS.

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 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.

(B) (1) EXCEPT AS PROVIDED IN THE GOVERNING INSTRUMENT, A BENEFICIAL OWNER IS OBLIGATED TO THE BUSINESS 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 (3) OF THIS SUBSECTION, IF A BENEFICIAL OWNER DOES NOT MAKE THE REQUIRED CONTRIBUTION OF PROPERTY OR SERVICES, THE BENEFICIAL OWNER IS OBLIGATED AT THE OPTION OF THE BUSINESS TRUST TO CONTRIBUTE CASH EQUAL TO THAT PORTION OF THE AGREED VALUE, AS STATED IN THE RECORDS OF THE BUSINESS TRUST, OF THE CONTRIBUTION THAT HAS NOT BEEN MADE.

(3) THE OPTION PROVIDED IN PARAGRAPH (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 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 TRUST, SUBORDINATING THE BENEFICIAL OWNER'S INTEREST TO THAT OF NONDEFAULTING BENEFICIAL OWNERS;