

SUBTITLE 5. FINANCE

4A-501. CAPITAL CONTRIBUTIONS.

THE CAPITAL CONTRIBUTION OF A MEMBER TO A LIMITED LIABILITY COMPANY MAY BE IN CASH, PROPERTY, SERVICES RENDERED, OR A PROMISSORY NOTE OR OTHER BINDING OBLIGATION TO CONTRIBUTE CASH OR PROPERTY OR TO PERFORM SERVICES.

4A-502. LIABILITY FOR CAPITAL CONTRIBUTION.

(A) (1) EXCEPT AS PROVIDED IN THE OPERATING AGREEMENT, A MEMBER IS OBLIGATED TO THE LIMITED LIABILITY COMPANY TO PERFORM ANY PROMISES SET FORTH IN THE ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT TO CONTRIBUTE CASH OR PROPERTY OR TO PERFORM SERVICES, EVEN IF THE MEMBER IS UNABLE TO PERFORM BECAUSE OF DEATH, DISABILITY, OR OTHER REASON.

(2) IF A MEMBER DOES NOT MAKE THE REQUIRED CONTRIBUTION OF PROPERTY OR SERVICES, THE MEMBER IS OBLIGATED, AT THE OPTION OF THE LIMITED LIABILITY COMPANY, TO CONTRIBUTE CASH EQUAL TO THE VALUE OF THAT PORTION OF THE CAPITAL CONTRIBUTION THAT HAS NOT BEEN MADE.

(B) (1) THE OBLIGATION OF A MEMBER TO MAKE A CAPITAL CONTRIBUTION OR RETURN MONEY OR OTHER PROPERTY PAID OR DISTRIBUTED IN VIOLATION OF THIS TITLE MAY BE COMPROMISED ONLY:

(I) IN COMPLIANCE WITH THE OPERATING AGREEMENT;
OR

(II) IF THE OPERATING AGREEMENT DOES NOT SO PROVIDE, WITH THE UNANIMOUS CONSENT OF THE MEMBERS.

(2) ANY COMPROMISE DOES NOT AFFECT THE RIGHTS, IF ANY, OF ANY CREDITOR OF A LIMITED LIABILITY COMPANY TO ENFORCE THE OBLIGATION OR TO REQUIRE THE OBLIGATION TO BE ENFORCED.

(C) (1) AN OPERATING AGREEMENT MAY PROVIDE THAT A MEMBER WHO FAILS TO MAKE ANY CAPITAL CONTRIBUTION OR OTHER PAYMENT THAT THE MEMBER IS REQUIRED TO MAKE SHALL BE SUBJECT TO SPECIFIED REMEDIES FOR, OR SPECIFIED CONSEQUENCES OF, THE FAILURE.

(2) THE REMEDY OR CONSEQUENCE MAY TAKE THE FORM OF:

(I) REDUCTION OF THE DEFAULTING MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY;

(II) SUBORDINATION OF THE DEFAULTING MEMBER'S INTEREST IN THE LIMITED LIABILITY COMPANY TO THAT OF THE NONDEFAULTING MEMBERS;