

(2) THE DATE THE PAYMENT IS MADE, IF IT OCCURS MORE THAN 120 DAYS AFTER THE DATE OF AUTHORIZATION.

(D) A LIMITED LIABILITY COMPANY'S INDEBTEDNESS TO A MEMBER INCURRED BY REASON OF AN OBLIGATION TO MAKE A DISTRIBUTION IN ACCORDANCE WITH THIS SECTION IS AT PARITY WITH THE LIMITED LIABILITY COMPANY'S INDEBTEDNESS TO ITS GENERAL, UNSECURED CREDITORS, EXCEPT TO THE EXTENT SUBORDINATED BY AGREEMENT.

(E) (1) IF TERMS OF THE INDEBTEDNESS PROVIDE THAT PAYMENT OF PRINCIPAL AND INTEREST IS TO BE MADE ONLY IF, AND TO THE EXTENT THAT, PAYMENT OF A DISTRIBUTION TO MEMBERS COULD THEN BE MADE UNDER THIS SECTION, INDEBTEDNESS OF A LIMITED LIABILITY COMPANY, INCLUDING INDEBTEDNESS ISSUED AS A DISTRIBUTION, IS NOT A LIABILITY FOR PURPOSES OF DETERMINATIONS MADE UNDER SUBSECTION (B) OF THIS SECTION.

(2) IF THE INDEBTEDNESS IS ISSUED AS A DISTRIBUTION, EACH PAYMENT OF PRINCIPAL OR INTEREST ON THE INDEBTEDNESS IS TREATED AS A DISTRIBUTION, THE EFFECT OF WHICH IS MEASURED ON THE DATE THE PAYMENT IS ACTUALLY MADE.

4A-504. LIABILITY UPON WRONGFUL DISTRIBUTION.

IF A MEMBER HAS RECEIVED A DISTRIBUTION IN VIOLATION OF THE OPERATING AGREEMENT OR § 4A-503 OF THIS SUBTITLE, THE MEMBER WHO HAS RECEIVED THE DISTRIBUTION AND ANY OTHER MEMBER OR AUTHORIZED PERSON WHO APPROVED OR AUTHORIZED THE DISTRIBUTION ARE JOINTLY AND SEVERALLY LIABLE TO THE LIMITED LIABILITY COMPANY FOR THE AMOUNT WRONGFULLY DISTRIBUTED.

4A-505. SHARING OF PROFITS AND LOSSES, DISTRIBUTIONS.

EXCEPT AS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT:

(1) THE PROFITS AND LOSSES OF A LIMITED LIABILITY COMPANY SHALL BE ALLOCATED AMONG THE MEMBERS IN PROPORTION TO THEIR RESPECTIVE CAPITAL INTERESTS; AND

(2) DISTRIBUTIONS BY THE LIMITED LIABILITY COMPANY SHALL BE MADE TO THE MEMBERS IN PROPORTION TO THEIR RIGHT TO SHARE IN THE PROFITS OF THE LIMITED LIABILITY COMPANY.

4A-506. DISTRIBUTION IN KIND.

UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT, A MEMBER, REGARDLESS OF THE NATURE OF THE MEMBER'S CONTRIBUTION, HAS NO RIGHT TO DEMAND AND RECEIVE ANY DISTRIBUTION FROM A LIMITED LIABILITY COMPANY IN A FORM OTHER THAN CASH.