

owed by a constituent limited partnership or its partners to mere transferees. That issue is a matter for other law.

SECTION 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED PARTNERSHIP.

(a) Subject to Section 1110, a plan of merger must be consented to by all the partners of a constituent limited partnership.

(b) Subject to Section 1110 and any contractual rights, after a merger is approved, and at any time before a filing is made under Section 1108, a constituent limited partnership may amend the plan or abandon the planned merger:

- (1) as provided in the plan; and
- (2) except as prohibited by the plan, with the same consent as was required to approve the plan.

Comment

Section 1110 imposes special consent requirements for transactions which might make a partner personally liable for entity debts. The partnership agreement may not restrict the rights provided by Section 1110. See Section 110(b)(12).

Subsection (a) – Like many of the rules stated in this Act, this subsection’s requirement of unanimous consent is a default rule. Subject only to Section 1110, the partnership agreement may state a different quantum of consent or provide a completely different approval mechanism. Varying this subsection’s rule means that a partner might be subject to a merger (including a “squeeze out” merger) without consent and with no appraisal remedy. The partners of a constituent limited partnership are subject to the duties and obligations stated in this Act, and those duties would apply to the process and terms under which the merger occurs. However, if the partnership agreement allows for a merger with less than unanimous consent, the mere fact a partner objects to a merger does not mean that the partners favoring, arranging, consenting to or effecting the merger have breached a duty under this Act.

SECTION 1108. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE.