

CHAPTER 326
FORMERLY
HOUSE BILL NO. 328

AN ACT TO AMEND CHAPTER 17, TITLE 6 OF THE DELAWARE CODE RELATING TO THE CREATION, REGULATION, OPERATION AND DISSOLUTION OF DOMESTIC LIMITED PARTNERSHIPS AND THE REGISTRATION AND REGULATION OF FOREIGN LIMITED PARTNERSHIPS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 17-104(g), Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(g) Every limited partnership formed under the laws of the State of Delaware or qualified to do business in the State of Delaware shall provide to its registered agent and update from time to time as necessary the name, business address and business telephone number of a natural person who is a partner, officer, employee or designated agent of the limited partnership, who is then authorized to receive communications from the registered agent. Such person shall be deemed the communications contact for the limited partnership. A limited partnership, upon receipt of a request by the communications contact delivered in writing or by electronic transmission, shall provide the communications contact with the name, business address and business telephone number of a natural person who has access to the record required to be maintained pursuant to §17-305(g) of this title. Every registered agent shall retain (in paper or electronic form) the above information concerning the current communications contact for each limited partnership and each foreign limited partnership for which he, she, or it serves as registered agent. If the limited partnership fails to provide the registered agent with a current communications contact, the registered agent may resign as the registered agent for such limited partnership pursuant to this section. For purposes of this subsection, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 2. Amend § 17-302(e), Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(e) Unless otherwise provided in a partnership agreement, meetings of limited partners may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting. Unless otherwise provided in a partnership agreement, on any matter that is to be voted on, consented to or approved by limited partners, the limited partners may take such action without a meeting, without prior notice and without a vote if consented to, in writing or by electronic transmission, by limited partners having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all limited partners entitled to vote thereon were present and voted. Unless otherwise provided in a partnership agreement, if a person (whether or not then a limited partner) consenting as a limited partner to any matter provides that such consent will be effective at a future time (including a time determined upon the happening of an event), then such person shall be deemed to have consented as a limited partner at such future time so long as such person is then a limited partner. Unless otherwise provided in a partnership agreement, on any matter that is to be voted on by limited partners, the limited partners may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a partnership agreement, a consent transmitted by electronic transmission by a limited partner or by a person or persons authorized to act for a limited partner shall be deemed to be written and signed for purposes of this subsection. For purposes of this subsection, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 3. Amend § 17-305, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) Each limited partner, in person or by attorney or other agent, has the right, subject to such reasonable

standards (including standards governing what information and documents are to be furnished, at what time and location and at whose expense) as may be set forth in the partnership agreement or otherwise established by the general partners, to obtain from the general partners from time to time upon reasonable demand for any purpose reasonably related to the limited partner's interest as a limited partner:

(1) True and full information regarding the status of the business and financial condition of the limited partnership;

(2) Promptly after becoming available, a copy of the limited partnership's federal, state and local income tax returns for each year;

(3) A current list of the name and last known business, residence or mailing address of each partner;

(4) A copy of any written partnership agreement and certificate of limited partnership and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the partnership agreement and any certificate and all amendments thereto have been executed;

(5) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each partner and which each partner has agreed to contribute in the future, and the date on which each became a partner; and

(6) Other information regarding the affairs of the limited partnership as is just and reasonable.

(b) A general partner shall have the right to keep confidential from limited partners for such period of time as the general partner deems reasonable, any information which the general partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the general partner in good faith believes is not in the best interest of the limited partnership or could damage the limited partnership or its business or which the limited partnership is required by law or by agreement with a third party to keep confidential.

(c) A limited partnership may maintain its records in other than a written form if such form is capable of conversion into written form within a reasonable time.

(d) Any demand under this section shall be in writing and shall state the purpose of such demand. In every instance where an attorney or other agent shall be the person who seeks the right to obtain the information described in subsection (a) of this section, the demand shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the limited partner.

(e) Any action to enforce any right arising under this section shall be brought in the Court of Chancery. If a general partner refuses to permit a limited partner, or attorney or other agent acting for the limited partner, to obtain from the general partner the information described in subsection (a) of this section or does not reply to the demand that has been made within 5 business days (or such shorter or longer period of time as is provided for in a partnership agreement but not longer than 30 business days) after the demand has been made, the limited partner may apply to the Court of Chancery for an order to compel such disclosure. The Court of Chancery is hereby vested with exclusive jurisdiction to determine whether or not the person seeking such information is entitled to the information sought. The Court of Chancery may summarily order the general partner to permit the limited partner to obtain the information described in subsection (a) of this section and to make copies or abstracts therefrom, or the Court of Chancery may summarily order the general partner to furnish to the limited partner the information described in subsection (a) of this section on the condition that the limited partner first pay to the limited partnership the reasonable cost of obtaining and furnishing such information and on such other conditions as the Court of Chancery deems appropriate. When a limited partner seeks to obtain the information described in subsection (a) of this section, the limited partner shall first establish (1) that the limited partner has complied with the provisions of this section respecting the form and manner of making demand for obtaining such information, and (2) that the information the limited partner seeks is reasonably related to the limited partner's interest as a limited partner. The Court of Chancery may, in its discretion, prescribe any limitations or conditions with reference to the obtaining of information, or award such other or further relief as the Court of Chancery may deem just and proper. The Court of Chancery may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within the State of Delaware and kept in the State of Delaware upon such terms and conditions as the order may prescribe.

(f) The rights of a limited partner to obtain information as provided in this section may be restricted in an original partnership agreement or in any subsequent amendment approved or adopted by all of the partners or in compliance with any applicable requirements of the partnership agreement. The provisions of this subsection shall not be construed to limit the ability to impose restrictions on the rights of a limited partner to obtain information by any other means permitted under this chapter.

(g) A limited partnership shall maintain a current record that identifies the name and last known business, residence, or mailing address of each partner.

Section 4. Amend § 17-405(d), Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(d) Unless otherwise provided in a partnership agreement, meetings of general partners may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting. Unless otherwise provided in a partnership agreement, on any matter that is to be voted on, consented to or approved by general partners, the general partners may take such action without a meeting, without prior notice and without a vote if consented to, in writing or by electronic transmission, by general partners having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all general partners entitled to vote thereon were present and voted. Unless otherwise provided in a partnership agreement, if a person (whether or not then a general partner) consenting as a general partner to any matter provides that such consent will be effective at a future time (including a time determined upon the happening of an event), then such person shall be deemed to have consented as a general partner at such future time so long as such person is then a general partner. Unless otherwise provided in a partnership agreement, on any matter that is to be voted on by general partners, the general partners may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a partnership agreement, a consent transmitted by electronic transmission by a general partner or by a person or persons authorized to act for a general partner shall be deemed to be written and signed for purposes of this subsection (d). For purposes of this subsection (d), the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 5. Amend § 17-806, Chapter 17, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

~~Notwithstanding~~ If a partnership agreement provides the manner in which a dissolution may be revoked, it may be revoked in that manner and, unless a partnership agreement prohibits revocation of dissolution, then notwithstanding the occurrence of an event set forth in § 17-801(1), (2), (3), (4) or (5) of this title, the limited partnership shall not be dissolved and its affairs shall not be wound up if, prior to the filing of a certificate of cancellation in the office of the Secretary of State, the business of the limited partnership is continued, effective as of the occurrence of such event, ~~pursuant to the affirmative vote or written consent of (1) all remaining general partners and all remaining limited partners of the limited partnership, (2) all remaining general partners and the personal representative of the last remaining limited partner of the limited partnership if there is no remaining limited partner, (3) all remaining limited partners if there is no remaining general partner or (4) the personal representative of the last remaining limited partner if there is no remaining limited partner and no remaining general partner (and, in each instance, any other person whose approval is required under the partnership agreement to revoke a dissolution pursuant to this section), provided, however, if the dissolution was caused by a vote or written consent, the dissolution shall not be revoked unless each general partner and limited partner and other person (or their respective personal representatives) who voted in favor of, or consented to, the dissolution has voted or consented in writing to continue the business of the limited partnership~~ (i) in the case of dissolution effected by the affirmative vote or written consent of the partners or other persons, pursuant to such affirmative vote or written consent (and the approval of any partners or other persons whose approval is required under the partnership

agreement to revoke a dissolution contemplated by this clause), (ii) in the case of dissolution under § 17-801(1) or (5) (other than a dissolution effected by the affirmative vote or written consent of the partners or other persons, an event of withdrawal of a general partner or the occurrence of an event that causes the last remaining limited partner to cease to be a limited partner), pursuant to such affirmative vote or written consent that, pursuant to the terms of the partnership agreement, is required to amend the provision of the partnership agreement effecting such dissolution (and the approval of any partners or other persons whose approval is required under the partnership agreement to revoke a dissolution contemplated by this clause), and (iii) in the case of dissolution effected by an event of withdrawal of a general partner or the occurrence of an event that causes the last remaining limited partner to cease to be a limited partner, pursuant to the affirmative vote or written consent of (a) all remaining general partners and (b) the limited partners of the limited partnership or, if there is more than one class or group of limited partners, then by each class or group of limited partners, in either case, by limited partners who own more than two-thirds of the then-current percentage or other interest in the profits of the limited partnership owned by all of the limited partners or by the limited partners in each class or group, as appropriate, or if there is no remaining limited partner the personal representative of the last remaining limited partner of the limited partnership or the assignee of all of the limited partners' partnership interests in the limited partnership (and the approval of any partners or other persons whose approval is required under the partnership agreement to revoke a dissolution contemplated by this clause). ~~If there is no remaining general partner of the limited partnership and all remaining limited partners or, if there is no remaining limited partner, the personal representative of the last remaining limited partner, vote in favor of or consent to the continuation of the business of the limited partnership, such limited partners or personal representative, as applicable, shall be required to agree in writing to appoint 1 or more general partners effective as of the date of withdrawal of the last general partner, and if there is no remaining limited partner of the limited partnership and the personal representative of the last remaining limited partner votes in favor of or consents to the continuation of the business of the limited partnership, such personal representative shall be required to agree in writing to the admission of the personal representative of such limited partner or its nominee or designee to the limited partnership as a limited partner, effective as of the occurrence of the event that caused the last remaining limited partner to cease to be a limited partner. If dissolution is revoked pursuant to clause (iii) above and there is no remaining general partner of the limited partnership, one or more general partners shall be appointed, effective as of the date of withdrawal of the last remaining general partner, by the affirmative vote or written consent of the limited partners of the limited partnership or, if there is more than one class or group of limited partners, then by each class or group of limited partners, in either case, by limited partners who own more than two-thirds of the then-current percentage or other interest in the profits of the limited partnership owned by all of the limited partners or by the limited partners in each class or group, as appropriate. If dissolution is revoked pursuant to clause (iii) above and there is no remaining limited partner of the limited partnership, a nominee or designee of such personal representative or such assignee, as applicable, shall be appointed as a limited partner, effective as of the occurrence of the event that caused the last remaining limited partner to cease to be a limited partner, by the affirmative vote or written consent of the remaining general partners and such personal representative or such assignee, as applicable. If dissolution is revoked pursuant to clause (iii) above and there is no remaining general partner of the limited partnership and no remaining limited partner of the limited partnership, one or more general partners shall be appointed, effective as of the date of withdrawal of the last remaining general partner, and a nominee or designee of such personal representative or such assignee, as applicable, shall be appointed as a limited partner, effective as of the occurrence of the event that caused the last remaining limited partner to cease to be a limited partner, in each case, by the affirmative vote or written consent of such personal representative or such assignee, as applicable. The provisions of this section shall not be construed to limit the accomplishment of a revocation of dissolution by other means permitted by law.~~

Section 6. This Act shall become effective August 1, 2014.

Approved July 15, 2014