

362.1-702 Dissociated partner's power to bind and liability to partnership.

- (1) For two (2) years after a partner dissociates without resulting in a dissolution and winding up of the partnership business, the partnership, including a surviving partnership under KRS 362.1-901 to 362.1-908, is bound by an act of the dissociated partner which would have bound the partnership under KRS 362.1-301 before dissociation only if at the time of entering into the transaction the other party:
 - (a) Reasonably believed that the dissociated partner was then a partner;
 - (b) Did not have notice of the partner's dissociation; and
 - (c) Is not deemed to have knowledge under KRS 362.1-303(5) or notice under KRS 362.1-704(3).
- (2) A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection (1) of this section.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 50, effective July 12, 2006.