

362.2-702 Transfer of partner's transferable interest.

- (1) A transfer, in whole or in part, of a partner's transferable interest in the limited partnership:
 - (a) Is permissible;
 - (b) Does not by itself cause the partner's dissociation or a dissolution and winding up of the limited partnership's activities; and
 - (c) Does not, as against the other partners or the limited partnership, entitle the transferee to participate in the management or conduct of the limited partnership's activities, to require access to information concerning the limited partnership's transactions except as provided in subsection (3) of this section, or to inspect or copy the required information or the limited partnership's other records.
- (2) A transferee has a right to receive, in accordance with the transfer:
 - (a) Distributions to which the transferor would otherwise be entitled; and
 - (b) Upon the dissolution and winding up of the limited partnership's activities the net amount otherwise distributable to the transferor.
- (3) In a dissolution and winding up, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.
- (4) Upon transfer, the transferor retains the rights of a partner other than the interest in distributions transferred and retains all duties and obligations of a partner.
- (5) A limited partnership need not give effect to a transferee's rights under this section until the limited partnership has notice of the transfer.
- (6) A transfer of a partner's transferable interest in the limited partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.
- (7) A transferee that becomes a partner with respect to a transferable interest is liable for the transferor's obligations under KRS 362.2-502 and 362.2-509. However, the transferee is not obligated for liabilities unknown to the transferee at the time the transferee became a partner.
- (8) Limitations upon transfer set forth in KRS 362.2-701 to 362.2-704 or adopted by the partners in accordance with this subchapter are enforceable notwithstanding KRS 355.9-406 and 355.9-408.

Effective: July 12, 2006

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