

362.1-801 Events causing dissolution and winding up of partnership business.

A partnership is dissolved, and its business shall be wound up, only upon the occurrence of any of the following events:

- (1) In a partnership at will, the partnership's having notice from a partner, other than a partner who is dissociated under KRS 362.1-601(2) to (10), of that partner's express will to withdraw as a partner, or on a later date specified by the partner;
- (2) In a partnership for a definite term or particular undertaking:
 - (a) Within ninety (90) days after a partner's dissociation by death or otherwise under KRS 362.1-601(6) to (10) or wrongful dissociation under KRS 362.1-602(2), the express will of at least half of the remaining partners to wind up the partnership business, for which purpose a partner's rightful dissociation pursuant to KRS 362.1-602(2)(b)1. constitutes the expression of that partner's will to wind up the partnership business;
 - (b) The express will of all of the partners to wind up the partnership business; or
 - (c) The expiration of the term or the completion of the undertaking;
- (3) An event agreed to in the partnership agreement resulting in the winding up of the partnership business;
- (4) An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within ninety (90) days after notice to the partnership of the event is effective retroactively to the date of the event for purposes of this section;
- (5) On application by a partner, a judicial determination that:
 - (a) The economic purpose of the partnership is likely to be unreasonably frustrated;
 - (b) Another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner; or
 - (c) It is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement; or
- (6) On application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business:
 - (a) After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer; or
 - (b) At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

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History: Created 2006 Ky. Acts ch. 149, sec. 54, effective July 12, 2006.