

486A.703 Dissociated partner's liability to other persons.

1. A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in subsection 2.
2. A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under article 9, within two years after the partner's dissociation, only if the partner is liable for the obligation under section 486A.306 and at the time of entering into the transaction all of the following apply:
 - a. The other party reasonably believed that the dissociated partner was then a partner.
 - b. The other party did not have notice of the partner's dissociation.
 - c. The other party is not deemed to have had knowledge under section 486A.303, subsection 5, or notice under section 486A.704, subsection 3.
3. By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.
4. A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.

98 Acts, ch 1201, §35, 79, 82