

- (b) *tender of payment (Section 3—604); or*
- (c) *cancellation or renunciation (Section 3—605); or*
- (d) *impairment of right of recourse or of collateral (Section 3—606); or*
- (e) *reacquisition of the instrument by a prior party (Section 3—208); or*
- (f) *fraudulent and material alteration (Section 3—407); or*
- (g) *certification of a check (Section 3—411); or*
- (h) *acceptance varying a draft (Section 3—412); or*
- (i) *unexcused delay in presentment or notice of dishonor or protest (Section 3—502).*

(2) *Any party is also discharged from his liability on an instrument to another party by any other act or agreement with such party which would discharge his simple contract for the payment of money.*

(3) *The liability of all parties is discharged when any party who has himself no right of action or recourse on the instrument*

(a) *reacquires the instrument in his own right; or*

(b) *is discharged under any provision of this Sub-title, except as otherwise provided with respect to discharge for impairment of recourse or of collateral (Section 3—606).*

3—602. *Effect of Discharge Against Holder in Due Course.*

No discharge of any party provided by this Subtitle is effective against a subsequent holder in due course unless he has notice thereof when he takes the instrument.

3—603. *Payment or Satisfaction.*

(1) *The liability of any party is discharged to the extent of his payment or satisfaction to the holder even though it is made with knowledge of a claim of another person to the instrument unless prior to such payment or satisfaction the person making the claim either supplies indemnity deemed adequate by the party seeking the discharge or enjoins payment or satisfaction by order of a court of competent jurisdiction in an action in which the adverse claimant and the holder are parties. This sub-section does not, however, result in the discharge of the liability*

(a) *of a party who in bad faith pays or satisfies a holder who acquired the instrument by theft or who (unless having the rights of a holder in due course) holds through one who so acquired it; or*

(b) *of a party (other than an intermediary bank or a payor bank which is not a depositary bank), who pays or satisfies the holder of an instrument which has been restrictively indorsed in a manner not consistent with the terms of such restrictive indorsement.*

(2) *Payment or satisfaction may be made with the consent of the holder by any person including a stranger to the instrument. Surrender of the instrument to such a person gives him the rights of a transferee (Section 3—201).*