

3-303. Taking for value.

A holder takes the instrument for value.

(a) To the extent that the agreed consideration has been performed or that he acquires a security interest in or a lien on the instrument otherwise than by legal process; or

(b) When he takes the instrument in payment of or as security for an antecedent claim against any person whether or not the claim is due; or

(c) When he gives a negotiable instrument for it or makes an irrevocable commitment to a third person.

3-304. Notice to purchaser.

(1) The purchaser has notice of a claim or defense if

(a) The instrument is so incomplete, bears such visible evidence of forgery or alteration, or is otherwise so irregular as to call into question its validity, terms or ownership or to create an ambiguity as to the party to pay; or

(b) The purchaser has notice that the obligation of any party is voidable in whole or in part, or that all parties have been discharged.

(2) The purchaser has notice of a claim against the instrument when he has knowledge that fiduciary has negotiated the instrument in payment of or as security for his own debt or in any transaction for his own benefit or otherwise in breach of duty.

(3) The purchaser has notice that an instrument is overdue if he has reason to know

(a) That any part of the principal amount is overdue or that there is an uncured default in payment of another instrument of the same series; or

(b) That acceleration of the instrument has been made; or

(c) That he is taking a demand instrument after demand has been made or more than a reasonable length of time after its issue. A reasonable time for a check drawn and payable within the states and territories of the United States and the District of Columbia is presumed to be thirty days.