

(1) IN THE CASE OF AN UNCERTIFIED CHECK, SUSPENSION OF THE OBLIGATION CONTINUES UNTIL DISHONOR OF THE CHECK OR UNTIL IT IS PAID OR CERTIFIED. PAYMENT OR CERTIFICATION OF THE CHECK RESULTS IN DISCHARGE OF THE OBLIGATION TO THE EXTENT OF THE AMOUNT OF THE CHECK.

(2) IN THE CASE OF A NOTE, SUSPENSION OF THE OBLIGATION CONTINUES UNTIL DISHONOR OF THE NOTE OR UNTIL IT IS PAID. PAYMENT OF THE NOTE RESULTS IN DISCHARGE OF THE OBLIGATION TO THE EXTENT OF THE PAYMENT.

(3) EXCEPT AS PROVIDED IN PARAGRAPH (4), IF THE CHECK OR NOTE IS DISHONORED AND THE OBLIGEE OF THE OBLIGATION FOR WHICH THE INSTRUMENT WAS TAKEN IS THE PERSON ENTITLED TO ENFORCE THE INSTRUMENT, THE OBLIGEE MAY ENFORCE EITHER THE INSTRUMENT OR THE OBLIGATION. IN THE CASE OF AN INSTRUMENT OF A THIRD PERSON WHICH IS NEGOTIATED TO THE OBLIGEE BY THE OBLIGOR, DISCHARGE OF THE OBLIGOR ON THE INSTRUMENT ALSO DISCHARGES THE OBLIGATION.

(4) IF THE PERSON ENTITLED TO ENFORCE THE INSTRUMENT TAKEN FOR AN OBLIGATION IS A PERSON OTHER THAN THE OBLIGEE, THE OBLIGEE MAY NOT ENFORCE THE OBLIGATION TO THE EXTENT THE OBLIGATION IS SUSPENDED. IF THE OBLIGEE IS THE PERSON ENTITLED TO ENFORCE THE INSTRUMENT BUT NO LONGER HAS POSSESSION OF IT BECAUSE IT WAS LOST, STOLEN, OR DESTROYED, THE OBLIGATION MAY NOT BE ENFORCED TO THE EXTENT OF THE AMOUNT PAYABLE ON THE INSTRUMENT, AND TO THAT EXTENT THE OBLIGEE'S RIGHTS AGAINST THE OBLIGOR ARE LIMITED TO ENFORCEMENT OF THE INSTRUMENT.

(C) IF AN INSTRUMENT OTHER THAN ONE DESCRIBED IN SUBSECTION (A) OR (B) IS TAKEN FOR AN OBLIGATION, THE EFFECT IS (I) THAT STATED IN SUBSECTION (A) IF THE INSTRUMENT IS ONE ON WHICH A BANK IS LIABLE AS MAKER OR ACCEPTOR, OR (II) THAT STATED IN SUBSECTION (B) IN ANY OTHER CASE.

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(A) IF A PERSON AGAINST WHOM A CLAIM IS ASSERTED PROVES THAT (I) THAT PERSON IN GOOD FAITH TENDERED AN INSTRUMENT TO THE CLAIMANT AS FULL SATISFACTION OF THE CLAIM, (II) THE AMOUNT OF THE CLAIM WAS UNLIQUIDATED OR SUBJECT TO A BONA FIDE DISPUTE, AND (III) THE CLAIMANT OBTAINED PAYMENT OF THE INSTRUMENT, THE FOLLOWING SUBSECTIONS APPLY.

(B) UNLESS SUBSECTION (C) APPLIES, THE CLAIM IS DISCHARGED IF THE PERSON AGAINST WHOM THE CLAIM IS ASSERTED PROVES THAT THE INSTRUMENT OR AN ACCOMPANYING WRITTEN COMMUNICATION CONTAINED A CONSPICUOUS STATEMENT TO THE EFFECT THAT THE INSTRUMENT WAS TENDERED AS FULL SATISFACTION OF THE CLAIM.

(C) SUBJECT TO SUBSECTION (D), A CLAIM IS NOT DISCHARGED UNDER SUBSECTION (B) IF EITHER OF THE FOLLOWING APPLIES:

(1) THE CLAIMANT, IF AN ORGANIZATION, PROVES THAT (I) WITHIN A REASONABLE TIME BEFORE THE TENDER, THE CLAIMANT SENT A CONSPICUOUS