

SUBTITLE 6. DISCHARGE AND PAYMENT.

3-601.

(A) THE OBLIGATION OF A PARTY TO PAY THE INSTRUMENT IS DISCHARGED AS STATED IN THIS TITLE OR BY AN ACT OR AGREEMENT WITH THE PARTY WHICH WOULD DISCHARGE AN OBLIGATION TO PAY MONEY UNDER A SIMPLE CONTRACT.

(B) DISCHARGE OF THE OBLIGATION OF A PARTY IS NOT EFFECTIVE AGAINST A PERSON ACQUIRING RIGHTS OF A HOLDER IN DUE COURSE OF THE INSTRUMENT WITHOUT NOTICE OF THE DISCHARGE.

3-602.

(A) SUBJECT TO SUBSECTION (B), AN INSTRUMENT IS PAID TO THE EXTENT PAYMENT IS MADE (I) BY OR ON BEHALF OF A PARTY OBLIGED TO PAY THE INSTRUMENT, AND (II) TO A PERSON ENTITLED TO ENFORCE THE INSTRUMENT. TO THE EXTENT OF THE PAYMENT, THE OBLIGATION OF THE PARTY OBLIGED TO PAY THE INSTRUMENT IS DISCHARGED EVEN THOUGH PAYMENT IS MADE WITH KNOWLEDGE OF A CLAIM TO THE INSTRUMENT UNDER § 3-306 BY ANOTHER PERSON.

(B) THE OBLIGATION OF A PARTY TO PAY THE INSTRUMENT IS NOT DISCHARGED UNDER SUBSECTION (A) IF:

(1) A CLAIM TO THE INSTRUMENT UNDER § 3-306 IS ENFORCEABLE AGAINST THE PARTY RECEIVING PAYMENT AND (I) PAYMENT IS MADE WITH KNOWLEDGE BY THE PAYOR THAT PAYMENT IS PROHIBITED BY INJUNCTION OR SIMILAR PROCESS OF A COURT OF COMPETENT JURISDICTION, OR (II) IN THE CASE OF AN INSTRUMENT OTHER THAN A CASHIER'S CHECK, TELLER'S CHECK, OR CERTIFIED CHECK, THE PARTY MAKING PAYMENT ACCEPTED, FROM THE PERSON HAVING A CLAIM TO THE INSTRUMENT, INDEMNITY AGAINST LOSS RESULTING FROM REFUSAL TO PAY THE PERSON ENTITLED TO ENFORCE THE INSTRUMENT; OR

(2) THE PERSON MAKING PAYMENT KNOWS THAT THE INSTRUMENT IS A STOLEN INSTRUMENT AND PAYS A PERSON IT KNOWS IS IN WRONGFUL POSSESSION OF THE INSTRUMENT.

3-603.

(A) IF TENDER OF PAYMENT OF AN OBLIGATION TO PAY AN INSTRUMENT IS MADE TO A PERSON ENTITLED TO ENFORCE THE INSTRUMENT, THE EFFECT OF TENDER IS GOVERNED BY PRINCIPLES OF LAW APPLICABLE TO TENDER OF PAYMENT UNDER A SIMPLE CONTRACT.

(B) IF TENDER OF PAYMENT OF AN OBLIGATION TO PAY AN INSTRUMENT IS MADE TO A PERSON ENTITLED TO ENFORCE THE INSTRUMENT AND THE TENDER IS REFUSED, THERE IS DISCHARGE, TO THE EXTENT OF THE AMOUNT OF THE TENDER, OF THE OBLIGATION OF AN INDORSER OR ACCOMMODATION PARTY HAVING A RIGHT OF RECOURSE WITH RESPECT TO THE OBLIGATION TO WHICH THE TENDER RELATES.