

70A-3-602 Payment.

- (1) Subject to Subsection (2), an instrument is paid to the extent payment is made by or on behalf of a party obliged to pay the instrument, and 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 Section 70A-3-306 by another person.
- (2) The obligation of a party to pay the instrument is not discharged under Subsection (1) if:
- (a) a claim to the instrument under Section 70A-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
 - (b) 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.

Repealed and Re-enacted by Chapter 237, 1993 General Session