



## Ohio Revised Code

### Section 1303.05 Unconditional promise or order - UCC 3-106.

Effective: April 6, 2017

Legislation: House Bill 463 - 131st General Assembly

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(A) Except as provided in this section, for the purposes of division (A) of section 1303.03 of the Revised Code, a promise or order is unconditional unless it states any of the following:

(1) An express condition to payment;

(2) That the promise or order is subject to or governed by another record ;

(3) That rights or obligations with respect to the promise or order are stated in another record. A reference to another record does not of itself make the promise or order conditional.

(B) A promise or order is not made conditional by a reference to another record for a statement of rights with respect to collateral, prepayment, or acceleration or because payment is limited to resort to a particular fund or source.

(C) If a promise or order requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the promise or order, the condition does not make the promise or order conditional for the purposes of division (A) of section 1303.03 of the Revised Code. If the person whose specimen signature appears on an instrument fails to countersign the instrument, the failure to countersign is a defense to the obligation of the issuer, but the failure does not prevent a transferee of the instrument from becoming a holder of the instrument.

(D) If a promise or order at the time it is issued or first comes into possession of a holder contains a statement, required by applicable statutory or administrative law, to the effect that the rights of a holder or transferee are subject to claims or defenses that the issuer could assert against the original payee, the promise or order is not made conditional by that statement for the purposes of division (A) of section 1303.03 of the Revised Code, but, if the promise or order is an instrument, there cannot be a holder in due course of the instrument.



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