

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 3: COMMERCIAL PAPER

§ 3105. When Promise or Order Unconditional.

(1) A promise or order otherwise unconditional is not made conditional by the fact that the instrument:

- (a) Is subject to implied or constructive conditions; or
- (b) States its consideration, whether performed or promised, or the transaction which gave rise to the instrument, or that the promise or order is made or the instrument matures in accordance with or “as per” such transaction; or
- (c) Refers to or states that it arises out of a separate agreement or refers to a separate agreement for rights as to prepayment or acceleration; or
- (d) States that it is drawn under a letter of credit; or
- (e) States that it is secured, whether by mortgage, reservation of title or otherwise; or
- (f) Indicates a particular account to be debited or any other fund or source from which reimbursement is expected; or
- (g) Is limited to payment out of a particular fund or the proceeds of a particular source, if the instrument is issued by a government or governmental agency or unit; or
- (h) Is limited to payment out of the entire assets of a partnership, unincorporated association, trust or estate by or on behalf of which the instrument is issued.

(2) A promise or order is not unconditional if the instrument:

- (a) States that it is subject to or governed by any other agreement; or
- (b) States that it is to be paid only out of a particular fund or source except as provided in this section.

Source: PL 3-56, § 1 (§ 3105).