

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1376**  
**97TH GENERAL ASSEMBLY**

4981H.02C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 400.9-102, 400.9-105, 400.9-311, 400.9-317, 400.9-326, 400.9-503, 400.9-507, 400.9-516, 400.9-607, 400.9-802, 400.9-805, 400.9-806, and 400.2A-103, RSMo, and to enact in lieu thereof thirteen new sections relating to secured transactions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 400.9-102, 400.9-105, 400.9-311, 400.9-317, 400.9-326, 400.9-503, 400.9-507, 400.9-516, 400.9-607, 400.9-802, 400.9-805, 400.9-806, and 400.2A-103, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 400.9-102, 400.9-105, 400.9-311, 400.9-317, 400.9-326, 400.9-503, 400.9-507, 400.9-516, 400.9-607, 400.9-802, 400.9-805, 400.9-806, and 400.2A-103, to read as follows:

400.9-102. (a) In this article:

- (1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost;
- (2) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health-care-insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or  
16 funds advanced or sold, other than rights arising out of the use of a credit or charge card or  
17 information contained on or for use with the card;

18 (3) "Account debtor" means a person obligated on an account, chattel paper, or general  
19 intangible. The term does not include persons obligated to pay a negotiable instrument, even if  
20 the instrument constitutes part of chattel paper;

21 (4) "Accounting", except as used in "accounting for", means a record:

22 (A) Authenticated by a secured party;

23 (B) Indicating the aggregate unpaid secured obligations as of a date not more than  
24 thirty-five days earlier or thirty-five days later than the date of the record; and

25 (C) Identifying the components of the obligations in reasonable detail;

26 (5) "Agricultural lien" means an interest, other than a security interest, in farm products:

27 (A) Which secures payment or performance of an obligation for:

28 (i) Goods or services furnished in connection with a debtor's farming operation; or

29 (ii) Rent on real property leased by a debtor in connection with its farming operation;

30 (B) Which is created by statute in favor of a person that:

31 (i) In the ordinary course of its business furnished goods or services to a debtor in  
32 connection with a debtor's farming operation; or

33 (ii) Leased real property to a debtor in connection with the debtor's farming operation;  
34 and

35 (C) Whose effectiveness does not depend on the person's possession of the personal  
36 property;

37 (6) "As-extracted collateral" means:

38 (A) Oil, gas, or other minerals that are subject to a security interest that:

39 (i) Is created by a debtor having an interest in the minerals before extraction; and

40 (ii) Attaches to the minerals as extracted; or

41 (B) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other  
42 minerals in which the debtor had an interest before extraction;

43 (7) "Authenticate" means:

44 (A) To sign; or

45 (B) With the present intent to adopt or accept a record, to attach to or logically associate  
46 with the record an electronic sound, symbol or process;

47 (8) "Bank" means an organization that is engaged in the business of banking. The term  
48 includes savings banks, savings and loan associations, credit unions, and trust companies;

49 (9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the  
50 like;

51 (10) "Certificate of title" means a certificate of title with respect to which a statute  
52 provides for the security interest in question to be indicated on the certificate as a condition or  
53 result of the security interest's obtaining priority over the rights of a lien creditor with respect to  
54 the collateral. The term includes another record maintained as an alternative to a certificate of  
55 title by the governmental unit that issues certificates of title if a statute permits the security  
56 interest in question to be indicated on the record as a condition or result of the security interest's  
57 obtaining priority over the rights of a lien creditor with respect to the collateral;

58 (11) "Chattel paper" means a record or records that evidence both a monetary obligation  
59 and a security interest in specific goods, a security interest in specific goods and software used  
60 in the goods, a security interest in specific goods and license of software used in the goods, a  
61 lease of specific goods, or a lease of specific goods and license of software used in the goods.  
62 In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or  
63 owed under a lease of the goods and includes a monetary obligation with respect to software used  
64 in the goods. The term does not include (i) charters or other contracts involving the use or hire  
65 of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or  
66 charge card or information contained on or for use with the card. If a transaction is evidenced  
67 by records that include an instrument or series of instruments, the group of records taken together  
68 constitutes chattel paper;

69 (12) "Collateral" means the property subject to a security interest or agricultural lien.  
70 The term includes:

71 (A) Proceeds to which a security interest attaches;  
72 (B) Accounts, chattel paper, payment intangibles, and promissory notes that have been  
73 sold; and  
74 (C) Goods that are the subject of a consignment;

75 (13) "Commercial tort claim" means a claim arising in tort with respect to which:

76 (A) The claimant is an organization; or  
77 (B) The claimant is an individual and the claim:  
78 (i) Arose in the course of the claimant's business or profession; and  
79 (ii) Does not include damages arising out of personal injury to or the death of an  
80 individual;

81 (14) "Commodity account" means an account maintained by a commodity intermediary  
82 in which a commodity contract is carried for a commodity customer;

83 (15) "Commodity contract" means a commodity futures contract, an option on a  
84 commodity futures contract, a commodity option, or another contract if the contract or option is:

85 (A) Traded on or subject to the rules of a board of trade that has been designated as a  
86 contract market for such a contract pursuant to federal commodities laws; or

87 (B) Traded on a foreign commodity board of trade, exchange, or market, and is carried  
88 on the books of a commodity intermediary for a commodity customer;

89 (16) "Commodity customer" means a person for which a commodity intermediary carries  
90 a commodity contract on its books;

91 (17) "Commodity intermediary" means a person that:

92 (A) Is registered as a futures commission merchant under federal commodities law; or

93 (B) In the ordinary course of its business provides clearance or settlement services for  
94 a board of trade that has been designated as a contract market pursuant to federal commodities  
95 law;

96 (18) "Communicate" means:

97 (A) To send a written or other tangible record;

98 (B) To transmit a record by any means agreed upon by the persons sending and receiving  
99 the record; or

100 (C) In the case of transmission of a record to or by a filing office, to transmit a record  
101 by any means prescribed by filing-office rule;

102 (19) "Consignee" means a merchant to which goods are delivered in a consignment;

103 (20) "Consignment" means a transaction, regardless of its form, in which a person  
104 delivers goods to a merchant for the purpose of sale and:

105 (A) The merchant:

106 (i) Deals in goods of that kind under a name other than the name of the person making  
107 delivery;

108 (ii) Is not an auctioneer; and

109 (iii) Is not generally known by its creditors to be substantially engaged in selling the  
110 goods of others;

111 (B) With respect to each delivery, the aggregate value of the goods is one thousand  
112 dollars or more at the time of delivery;

113 (C) The goods are not consumer goods immediately before delivery; and

114 (D) The transaction does not create a security interest that secures an obligation;

115 (21) "Consignor" means a person that delivers goods to a consignee in a consignment;

116 (22) "Consumer debtor" means a debtor in a consumer transaction;

117 (23) "Consumer goods" means goods that are used or bought for use primarily for  
118 personal, family, or household purposes;

119 (24) "Consumer-goods transaction" means a consumer transaction in which:

120 (A) An individual incurs an obligation primarily for personal, family, or household  
121 purposes; and

122 (B) A security interest in consumer goods secures the obligation;

- 123           (25) "Consumer obligor" means an obligor who is an individual and who incurred the  
124 obligation as part of a transaction entered into primarily for personal, family, or household  
125 purposes;
- 126           (26) "Consumer transaction" means a transaction in which (i) an individual incurs an  
127 obligation primarily for personal, family, or household purposes, (ii) a security interest secures  
128 the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or  
129 household purposes. The term includes consumer-goods transactions;
- 130           (27) "Continuation statement" means an amendment of a financing statement which:  
131           (A) Identifies, by its file number, the initial financing statement to which it relates; and  
132           (B) Indicates that it is a continuation statement for, or that it is filed to continue the  
133 effectiveness of, the identified financing statement;
- 134           (28) "Debtor" means:  
135           (A) A person having an interest, other than a security interest or other lien, in the  
136 collateral, whether or not the person is an obligor;  
137           (B) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or  
138           (C) A consignee;
- 139           (29) "Deposit account" means a demand, time, savings, passbook, or similar account  
140 maintained with a bank. The term does not include investment property or accounts evidenced  
141 by an instrument;
- 142           (30) "Document" means a document of title or a receipt of the type described in section  
143 400.7-201(2);
- 144           (31) "Electronic chattel paper" means chattel paper evidenced by a record or records  
145 consisting of information stored in an electronic medium;
- 146           (32) "Encumbrance" means a right, other than an ownership interest, in real property.  
147 The term includes mortgages and other liens on real property;
- 148           (33) "Equipment" means goods other than inventory, farm products, or consumer goods;
- 149           (34) "Farm products" means goods, other than standing timber, with respect to which  
150 the debtor is engaged in a farming operation and which are:  
151           (A) Crops grown, growing, or to be grown, including:  
152           (i) Crops produced on trees, vines, and bushes; and  
153           (ii) Aquatic goods produced in aquacultural operations;  
154           (B) Livestock, born or unborn, including aquatic goods produced in aquacultural  
155 operations;  
156           (C) Supplies used or produced in a farming operation; or  
157           (D) Products of crops or livestock in their unmanufactured states;

- 158           (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or  
159 any other farming, livestock, or aquacultural operation;
- 160           (36) "File number" means the number assigned to an initial financing statement pursuant  
161 to section 400.9-519(a);
- 162           (37) "Filing office" means an office designated in section 400.9-501 as the place to file  
163 a financing statement;
- 164           (38) "Filing-office rule" means a rule adopted pursuant to section 400.9-526;
- 165           (39) "Financing statement" means a record or records composed of an initial financing  
166 statement and any filed record relating to the initial financing statement;
- 167           (40) "Fixture filing" means the filing of a financing statement covering goods that are  
168 or are to become fixtures and satisfying section 400.9-502(a) and (b). The term includes the  
169 filing of a financing statement covering goods of a transmitting utility which are or are to become  
170 fixtures;
- 171           (41) "Fixtures" means goods that have become so related to particular real property that  
172 an interest in them arises under real property law;
- 173           (42) "General intangible" means any personal property, including things in action, other  
174 than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods,  
175 instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or  
176 other minerals before extraction. The term includes payment intangibles and software;
- 177           (43) "Good faith" means honesty in fact;
- 178           (44) "Goods" means all things that are movable when a security interest attaches. The  
179 term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance  
180 or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown,  
181 even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term  
182 also includes a computer program embedded in goods and any supporting information provided  
183 in connection with a transaction relating to the program if (i) the program is associated with the  
184 goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming  
185 the owner of the goods, a person acquires a right to use the program in connection with the  
186 goods. The term does not include a computer program embedded in goods that consist solely  
187 of the medium in which the program is embedded. The term also does not include accounts,  
188 chattel paper, commercial tort claims, deposit accounts, documents, general intangibles,  
189 instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or  
190 other minerals before extraction;
- 191           (45) "Governmental unit" means a subdivision, agency, department, county, parish,  
192 municipality, or other unit of the government of the United States, a state, or a foreign country.  
193 The term includes an organization having a separate corporate existence if the organization is

194 eligible to issue debt on which interest is exempt from income taxation under the laws of the  
195 United States;

196 (46) "Health-care-insurance receivable" means an interest in or claim under a policy of  
197 insurance which is a right to payment of a monetary obligation for health-care goods or services  
198 provided or to be provided;

199 (47) "Instrument" means a negotiable instrument or any other writing that evidences a  
200 right to the payment of a monetary obligation, is not itself a security agreement or lease, and is  
201 of a type that in ordinary course of business is transferred by delivery with any necessary  
202 indorsement or assignment. The term does not include (i) investment property, (ii) letters of  
203 credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge  
204 card or information contained on or for use with the card;

205 (48) "Inventory" means goods, other than farm products, which:

206 (A) Are leased by a person as lessor;

207 (B) Are held by a person for sale or lease or to be furnished under a contract of service;

208 (C) Are furnished by a person under a contract of service; or

209 (D) Consist of raw materials, work in process, or materials used or consumed in a  
210 business;

211 (49) "Investment property" means a security, whether certificated or uncertificated,  
212 security entitlement, securities account, commodity contract, or commodity account;

213 (50) "Jurisdiction of organization", with respect to a registered organization, means the  
214 jurisdiction under whose law the organization is formed or organized;

215 (51) "Letter-of-credit right" means a right to payment or performance under a letter of  
216 credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment  
217 or performance. The term does not include the right of a beneficiary to demand payment or  
218 performance under a letter of credit;

219 (52) "Lien creditor" means:

220 (A) A creditor that has acquired a lien on the property involved by attachment, levy, or  
221 the like;

222 (B) An assignee for benefit of creditors from the time of assignment;

223 (C) A trustee in bankruptcy from the date of the filing of the petition; or

224 (D) A receiver in equity from the time of appointment;

225 (53) "Manufactured home" means a structure, transportable in one or more sections,  
226 which, in the traveling mode, is eight body feet or more in width or forty body feet or more in  
227 length, or, when erected on site, is three hundred twenty or more square feet, and which is built  
228 on a permanent chassis and designed to be used as a dwelling with or without a permanent  
229 foundation when connected to the required utilities, and includes the plumbing, heating,

230 air-conditioning, and electrical systems contained therein. The term includes any structure that  
231 meets all of the requirements of this paragraph except the size requirements and with respect to  
232 which the manufacturer voluntarily files a certification required by the United States Secretary  
233 of Housing and Urban Development and complies with the standards established under Title 42  
234 of the United States Code;

235 (54) "Manufactured-home transaction" means a secured transaction:

236 (A) That creates a purchase-money security interest in a manufactured home, other than  
237 a manufactured home held as inventory; or

238 (B) In which a manufactured home, other than a manufactured home held as inventory,  
239 is the primary collateral;

240 (55) "Mortgage" means a consensual interest in real property, including fixtures, which  
241 secures payment or performance of an obligation;

242 (56) "New debtor" means a person that becomes bound as debtor under section  
243 400.9-203(d) by a security agreement previously entered into by another person;

244 (57) "New value" means (i) money, (ii) money's worth in property, services, or new  
245 credit, or (iii) release by a transferee of an interest in property previously transferred to the  
246 transferee. The term does not include an obligation substituted for another obligation;

247 (58) "Noncash proceeds" means proceeds other than cash proceeds;

248 (59) "Obligor" means a person that, with respect to an obligation secured by a security  
249 interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the  
250 obligation, (ii) has provided property other than the collateral to secure payment or other  
251 performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment  
252 or other performance of the obligation. The term does not include issuers or nominated persons  
253 under a letter of credit;

254 (60) "Original debtor", except as used in section 400.9-310(c), means a person that, as  
255 debtor, entered into a security agreement to which a new debtor has become bound under section  
256 400.9-203(d);

257 (61) "Payment intangible" means a general intangible under which the account debtor's  
258 principal obligation is a monetary obligation;

259 (62) "Person related to", with respect to an individual, means:

260 (A) The spouse of the individual;

261 (B) A brother, brother-in-law, sister, or sister-in-law of the individual;

262 (C) An ancestor or lineal descendant of the individual or the individual's spouse; or

263 (D) Any other relative, by blood or marriage, of the individual or the individual's spouse  
264 who shares the same home with the individual;

265 (63) "Person related to", with respect to an organization, means:

266 (A) A person directly or indirectly controlling, controlled by, or under common control  
267 with the organization;

268 (B) An officer or director of, or a person performing similar functions with respect to,  
269 the organization;

270 (C) An officer or director of, or a person performing similar functions with respect to,  
271 a person described in subparagraph (A);

272 (D) The spouse of an individual described in subparagraph (A), (B), or (C); or

273 (E) An individual who is related by blood or marriage to an individual described in  
274 subparagraph (A), (B), (C), or (D) and shares the same home with the individual;

275 (64) "Proceeds", except as used in section 400.9-609(b), means the following property:

276 (A) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of  
277 collateral;

278 (B) Whatever is collected on, or distributed on account of, collateral;

279 (C) Rights arising out of collateral;

280 (D) To the extent of the value of collateral, claims arising out of the loss, nonconformity,  
281 or interference with the use of, defects or infringement of rights in, or damage to, the collateral;  
282 or

283 (E) To the extent of the value of collateral and to the extent payable to the debtor or the  
284 secured party, insurance payable by reason of the loss or nonconformity of, defects or  
285 infringement of rights in, or damage to, the collateral;

286 (65) "Promissory note" means an instrument that evidences a promise to pay a monetary  
287 obligation, does not evidence an order to pay, and does not contain an acknowledgment by a  
288 bank that the bank has received for deposit a sum of money or funds;

289 (66) "Proposal" means a record authenticated by a secured party which includes the  
290 terms on which the secured party is willing to accept collateral in full or partial satisfaction of  
291 the obligation it secures pursuant to sections 400.9-620, 400.9-621 and 400.9-622;

292 (67) "Public organic record" means a record that is available to the public for inspection  
293 and is:

294 (A) A record consisting of the record initially filed with or issued by a state or the United  
295 States to form or organize an organization and any record filed with or issued by the state or the  
296 United States which amends or restates the initial record;

297 (B) An organic record of a business trust consisting of the record initially filed with a  
298 state and any record filed with the state which amends or restates the initial record, if a statute  
299 of the state governing business trusts requires that the record be filed with the state; or

300 (C) A record consisting of legislation enacted by the legislature of a state or the Congress  
301 of the United States which forms or organizes an organization, any record amending the

302 legislation, and any record filed with or issued by the state or the United States which amends  
303 or restates the name of the organization;

304 (68) "Pursuant to commitment", with respect to an advance made or other value given  
305 by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent  
306 event of default or other event not within the secured party's control has relieved or may relieve  
307 the secured party from its obligation;

308 (69) "Record", except as used in "for record", "of record", "record or legal title", and  
309 "record owner", means information that is inscribed on a tangible medium or which is stored in  
310 an electronic or other medium and is retrievable in perceivable form;

311 (70) "Registered organization" means an organization formed or organized solely under  
312 the law of a single state or the United States by the filing of a public organic record with, the  
313 issuance of a public organic record by, or the enactment of legislation by the state or the United  
314 States. The term includes a business trust that is formed or organized under the law of a single  
315 state if a statute of the state governing business trusts requires that the business trust's organic  
316 record be filed with the state;

317 (71) "Secondary obligor" means an obligor to the extent that:

318 (A) The obligor's obligation is secondary; or

319 (B) The obligor has a right of recourse with respect to an obligation secured by collateral  
320 against the debtor, another obligor, or property of either;

321 (72) "Secured party" means:

322 (A) A person in whose favor a security interest is created or provided for under a security  
323 agreement, whether or not any obligation to be secured is outstanding;

324 (B) A person that holds an agricultural lien;

325 (C) A consignor;

326 (D) A person to which accounts, chattel paper, payment intangibles, or promissory notes  
327 have been sold;

328 (E) A trustee, indenture trustee, agent, collateral agent, or other representative in whose  
329 favor a security interest or agricultural lien is created or provided for; or

330 (F) A person that holds a security interest arising under sections 400.2-401, 400.2-505,  
331 400.2-711(3), 400.2A-508(5), 400.4-210 or 400.5-118;

332 (73) "Security agreement" means an agreement that creates or provides for a security  
333 interest;

334 (74) "Send", in connection with a record or notification, means:

335 (A) To deposit in the mail, deliver for transmission, or transmit by any other usual means  
336 of communication, with postage or cost of transmission provided for, addressed to any address  
337 reasonable under the circumstances; or

(B) To cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A);

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods;

(76) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States;

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property;

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium;

(79) "Termination statement" means an amendment of a financing statement which:

(A) Identifies, by its file number, the initial financing statement to which it relates; and

(B) Indicates either that it is a termination statement or that the identified financing statement is no longer effective;

(80) "Transmitting utility" means a person primarily engaged in the business of:

(A) Operating a railroad, subway, street railway, or trolley bus;

(B) Transmitting communications electrically, electromagnetically, or by light;

(C) Transmitting goods by pipeline or sewer; or

(D) Transmitting or producing and transmitting electricity, steam, gas, or water.

(b) **"Control" as provided in section 400.8-106** and the following definitions in other articles apply to this article:

"Applicant" Section 400.5-102.

"Beneficiary" Section 400.5-102.

"Broker" Section 400.8-102.

"Certificated security" Section 400.8-102.

"Check" Section 400.3-104.

"Clearing corporation" Section 400.8-102.

"Contract for sale" Section 400.2-106.

"Customer" Section 400.4-104.

"Entitlement holder" Section 400.8-102.

"Financial asset" Section 400.8-102.

"Holder in due course" Section 400.3-302.

"Issuer" (with respect to a letter of credit or

- 374 letter-of-credit right) Section 400.5-102.  
375 "Issuer" (with respect to a security) Section 400.8-201.  
376 "Lease " Section 400.2A-103.  
377 "Lease agreement" Section 400.2A-103.  
378 "Lease contract" Section 400.2A-103.  
379 "Leasehold interest" Section 400.2A-103.  
380 "Lessee" Section 400.2A-103.  
381 "Lessee in ordinary  
382 course of business" Section 400.2A-103.  
383 "Lessor" Section 400.2A-103.  
384 "Lessor's residual interest" Section 400.2A-103.  
385 "Letter of credit" Section 400.5-102.  
386 "Merchant" Section 400.2-104.  
387 "Negotiable instrument" Section 400.3-104.  
388 "Nominated person" Section 400.5-102.  
389 "Note" Section 400.3-104.  
390 "Proceeds of a  
391 letter of credit" Section 400.5-114.  
392 "Prove" Section 400.3-103.  
393 "Sale" Section 400.2-106.  
394 "Securities account" Section 400.8-501.  
395 "Securities intermediary" Section 400.8-102.  
396 "Security" Section 400.8-102.  
397 "Security certificate" Section 400.8-102.  
398 "Security entitlement" Section 400.8-102.  
399 "Uncertificated security" Section 400.8-102.  
400 (c) This section contains general definitions and principles of construction and  
401 interpretation applicable throughout sections 400.9-103 to [400.9-708] **400.9-809**.  
400.9-105. (a) A secured party has control of electronic chattel paper if **a system**  
2 **employed for evidencing the transfer of interests in the chattel paper reliably establishes**  
3 **the secured party as the person to which the chattel paper was assigned.**  
4 (b) A system satisfies subsection (a) if the record or records comprising the chattel  
5 paper are created, stored, and assigned in such a manner that:  
6 (1) A single authoritative copy of the record or records exists which is unique,  
7 identifiable and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

8 (2) The authoritative copy identifies the secured party as the assignee of the record or  
9 records;

10 (3) The authoritative copy is communicated to and maintained by the secured party or  
11 its designated custodian;

12 (4) Copies or [revisions] **amendments** that add or change an identified assignee of the  
13 authoritative copy can be made only with the [participation] **consent** of the secured party;

14 (5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as  
15 a copy that is not the authoritative copy; and

16 (6) Any [revision] **amendment** of the authoritative copy is readily identifiable as [an]  
17 authorized or unauthorized [revision].

400.9-311. (a) Except as otherwise provided in subsection (d), the filing of a financing  
2 statement is not necessary or effective to perfect a security interest in property subject to:

3 (1) A statute, regulation, or treaty of the United States whose requirements for a security  
4 interest's obtaining priority over the rights of a lien creditor with respect to the property preempt  
5 section 400.9-310(a);

6 (2) Sections 301.600 to 301.661, section 700.350, and section 400.2A-304; or

7 (3) A [certificate-of-title] statute of another jurisdiction which provides for a security  
8 interest to be indicated on [the] **a certificate of title** as a condition or result of the security  
9 interest's obtaining priority over the rights of a lien creditor with respect to the property.

10 (b) Compliance with the requirements of a statute, regulation, or treaty described in  
11 subsection (a) for obtaining priority over the rights of a lien creditor is equivalent to the filing  
12 of a financing statement under this article. Except as otherwise provided in subsection (d) and  
13 sections 400.9-313 and 400.9-316(d) and (e) for goods covered by a certificate of title, a security  
14 interest in property subject to a statute, regulation, or treaty described in subsection (a) may be  
15 perfected only by compliance with those requirements, and a security interest so perfected  
16 remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

17 (c) Except as otherwise provided in subsection (d) and section 400.9-316(d) and (e),  
18 duration and renewal of perfection of a security interest perfected by compliance with the  
19 requirements prescribed by a statute, regulation, or treaty described in subsection (a) are  
20 governed by the statute, regulation, or treaty. In other respects, the security interest is subject to  
21 this article.

22 (d) During any period in which collateral is inventory held for sale or lease by a person  
23 or leased by that person as lessor and that person is in the business of selling goods of that kind,  
24 this section does not apply to a security interest in that collateral created by that person.

400.9-317. (a) A security interest or agricultural lien is subordinate to the rights of:

2 (1) A person entitled to priority under section 400.9-322; and

3 (2) Except as otherwise provided in subsection (e), a person that becomes a lien creditor  
4 before the earlier of the time:

5 (A) The security interest or agricultural lien is perfected; or

6 (B) One of the conditions specified in section 400.9-203(b)(3) is met and a financing  
7 statement covering the collateral is filed.

8 (b) Except as otherwise provided in subsection (e), a buyer, other than a secured party,  
9 of tangible chattel paper, documents, goods, instruments, or a [security certificate] **certificated**  
10 **security** takes free of a security interest or agricultural lien if the buyer gives value and receives  
11 delivery of the collateral without knowledge of the security interest or agricultural lien and before  
12 it is perfected.

13 (c) Except as otherwise provided in subsection (e), a lessee of goods takes free of a  
14 security interest or agricultural lien if the lessee gives value and receives delivery of the collateral  
15 without knowledge of the security interest or agricultural lien and before it is perfected.

16 (d) A licensee of a general intangible or a buyer, other than a secured party, of collateral  
17 other than tangible chattel paper, tangible documents, goods, instruments, or a certificated  
18 security takes free of a security interest if the licensee or buyer gives value without knowledge  
19 of the security interest and before it is perfected.

20 (e) Except as otherwise provided in sections 400.9-320 and 400.9-321, if a person files  
21 a financing statement with respect to a purchase-money security interest before or within twenty  
22 days after the debtor receives delivery of the collateral, the security interest takes priority over  
23 the rights of a buyer, lessee, or lien creditor which arise between the time the security interest  
24 attaches and the time of filing.

400.9-326. (a) Subject to subsection (b), a security interest that is created by a new  
2 debtor in collateral in which the new debtor has or acquires rights and is perfected solely by a  
3 filed financing statement that would be [effective] **ineffective** to perfect the security interest but  
4 for the application of section **400.9-316(i)(1) or** 400.9-508 is subordinate to a security interest  
5 in the same collateral which is perfected other than by such a filed financing statement.

6 (b) The other provisions of this part determine the priority among conflicting security  
7 interests in the same collateral perfected by filed financing statements described in subsection  
8 (a). However, if the security agreements to which a new debtor became bound as debtor were  
9 not entered into by the same original debtor, the conflicting security interests rank according to  
10 priority in time of the new debtor's having become bound.

400.9-503. (a) A financing statement sufficiently provides the name of the debtor:

2 (1) Except as otherwise provided in paragraph (3), if the debtor is a registered  
3 organization or the collateral is held in a trust that is a registered organization, only if the  
4 financing statement provides the name that is stated to be the registered organization's name on

5 the public organic record most recently filed with or issued or enacted by the registered  
6 organization's jurisdiction of organization which purports to state, amend, or restate the  
7 registered organization's name;

8 (2) Subject to subsection (f), if the collateral is being administered by the personal  
9 representative of a decedent, only if the financing statement provides as the name of the debtor,  
10 the name of the decedent and, in a separate part of the financing statement, indicates that the  
11 collateral is being administered by a personal representative;

12 (3) If the collateral is held in a trust that is not a registered organization, only if the  
13 financing statement:

14 (A) Provides, as the name of the debtor:

15 (i) If the organic record of the trust specifies a name for the trust, the name specified; or

16 (ii) If the organic record of the trust does not specify a name for the trust, the name of  
17 the settlor or testator; and

18 (B) In a separate part of the financing statement:

19 (i) If the name is provided in accordance with subparagraph (A)(i), indicates that the  
20 collateral is held in a trust; or

21 (ii) If the name is provided in accordance with subparagraph (A)(ii), provides additional  
22 information sufficient to distinguish the trust from other trusts having one or more of the same  
23 settlors or the same testator and indicates that the collateral is held in a trust, unless the additional  
24 information so indicates;

25 (4) Subject to subsection (g), if the debtor is an individual to whom this state has issued  
26 a driver's license **or nondriver's license** that has not expired, only if the financing statement  
27 provides the name of the individual which is indicated on the driver's license **or nondriver's**  
28 **license**;

29 (5) If the debtor is an individual to whom paragraph (4) does not apply, only if the  
30 financing statement provides the individual name of the debtor or the surname and first personal  
31 name of the debtor; and

32 (6) In other cases:

33 (A) If the debtor has a name, only if the financing statement provides the organizational  
34 name of the debtor; and

35 (B) If the debtor does not have a name, only if it provides the names of the partners,  
36 members, associates, or other persons comprising the debtor, in a manner that each name  
37 provided would be sufficient if the person named were the debtor.

38 (b) A financing statement that provides the name of the debtor in accordance with  
39 subsection (a) is not rendered ineffective by the absence of:

40 (1) A trade name or other name of the debtor; or

41 (2) Unless required under subsection [(a)(4)(B)] **(a)(6)(B)**, names of partners, members,  
42 associates, or other persons comprising the debtor.

43 (c) A financing statement that provides only the debtor's trade name does not sufficiently  
44 provide the name of the debtor.

45 (d) Failure to indicate the representative capacity of a secured party or representative of  
46 a secured party does not affect the sufficiency of a financing statement.

47 (e) A financing statement may provide the name of more than one debtor and the name  
48 of more than one secured party.

49 (f) The name of the decedent indicated on the order appointing the personal  
50 representative of the decedent issued by the court having jurisdiction over the collateral is  
51 sufficient as the name of the decedent under subsection (a)(2).

52 (g) If this state has issued to an individual more than one driver's license **or nondriver's**  
53 **license** of a kind described in subsection (a)(4), the one that was issued most recently is the one  
54 to which subsection (a)(4) refers.

55 (h) In this section, the name of the settlor or testator means:

56 (1) If the settlor is a registered organization, the name that is stated to be the settlor's  
57 name on the public organic record most recently filed with or issued or enacted by the settlor's  
58 jurisdiction of organization which purports to state, amend, or restate the settlor's name; or

59 (2) In other cases, the name of the settlor or testator indicated in the trust's organic  
60 record.

400.9-507. (a) A filed financing statement remains effective with respect to collateral  
2 that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest  
3 or agricultural lien continues, even if the secured party knows of or consents to the disposition.

4 (b) Except as otherwise provided in subsection (c) and section 400.9-508, a financing  
5 statement is not rendered ineffective if, after the financing statement is filed, the information  
6 provided in the financing statement becomes seriously misleading under section 400.9-506.

7 (c) If [a debtor so changes its] **the** name that a filed financing statement **provides for a**  
8 **debtor** becomes **insufficient as the name of the debtor under section 400.9-503(a) so that**  
9 **the financing statement becomes** seriously misleading under section 400.9-506:

10 (1) The financing statement is effective to perfect a security interest in collateral acquired  
11 by the debtor before, or within four months after, the [change] **filed financing statement**  
12 **becomes seriously misleading**; and

13 (2) The financing statement is not effective to perfect a security interest in collateral  
14 acquired by the debtor more than four months after the [change] **filed financing statement**  
15 **becomes seriously misleading**, unless an amendment to the financing statement which renders

16 the financing statement not seriously misleading is filed within four months after the [change]  
17 **financing statement became seriously misleading.**

2 400.9-516. (a) Except as otherwise provided in subsection (b), communication of a  
3 record to a filing office and tender of the filing fee or acceptance of the record by the filing office  
4 constitutes filing.

5 (b) Filing does not occur with respect to a record that a filing office refuses to accept  
6 because:

7 (1) The record is not communicated by a method or medium of communication  
8 authorized by the filing office;

9 (2) An amount equal to or greater than the applicable filing fee is not tendered;

10 (3) The filing office is unable to index the record because:

11 (A) In the case of an initial financing statement, the record does not provide a name for  
12 the debtor;

13 (B) In the case of an amendment or [correction] **information** statement, the record:

14 (i) Does not identify the initial financing statement as required by section 400.9-512 or  
15 400.9-518, as applicable; or

16 (ii) Identifies an initial financing statement whose effectiveness has lapsed under section  
17 400.9-515;

18 (C) In the case of an initial financing statement that provides the name of a debtor  
19 identified as an individual or an amendment that provides a name of a debtor identified as an  
20 individual which was not previously provided in the financing statement to which the record  
21 relates, the record does not identify the debtor's [last name] **surname**; or

22 (D) In the case of a record filed or recorded in the filing office described in section  
23 400.9-501(a)(1), the record does not provide a sufficient description of the real property to which  
24 it relates;

25 (4) In the case of an initial financing statement or an amendment that adds a secured  
26 party of record, the record does not provide a name and mailing address for the secured party of  
27 record;

28 (5) In the case of an initial financing statement or an amendment that provides a name  
29 of a debtor which was not previously provided in the financing statement to which the  
30 amendment relates, the record does not:

31 (A) Provide a mailing address for the debtor; or

32 (B) Indicate whether the name provided as the name of the debtor is the name of an  
individual or an organization;

33 (6) In the case of an assignment reflected in an initial financing statement under section  
34 400.9-514(a) or an amendment filed under section 400.9-514(b), the record does not provide a  
35 name and mailing address for the assignee; or

36 (7) In the case of a continuation statement, the record is not filed within the six-month  
37 period prescribed by section 400.9-515(d).

38 (c) For purposes of subsection (b):

39 (1) A record does not provide information if the filing office is unable to read or decipher  
40 the information; and

41 (2) A record that does not indicate that it is an amendment or identify an initial financing  
42 statement to which it relates, as required by section 400.9-512, 400.9-514 or 400.9-518, is an  
43 initial financing statement.

44 (d) A record that is communicated to the filing office with tender of the filing fee, but  
45 which the filing office refuses to accept for a reason other than one set forth in subsection (b),  
46 is effective as a filed record except as against a purchaser of the collateral which gives value in  
47 reasonable reliance upon the absence of the record from the files.

400.9-607. (a) If so agreed, and in any event after default, a secured party:

2 (1) May notify an account debtor or other person obligated on collateral to make  
3 payment or otherwise render performance to or for the benefit of the secured party;

4 (2) May take any proceeds to which the secured party is entitled under section 400.9-315;

5 (3) May enforce the obligations of an account debtor or other person obligated on  
6 collateral and exercise the rights of the debtor with respect to the obligation of the account debtor  
7 or other person obligated on collateral to make payment or otherwise render performance to the  
8 debtor, and with respect to any property that secures the obligations of the account debtor or  
9 other person obligated on the collateral;

10 (4) If it holds a security interest in a deposit account perfected by control under section  
11 400.9-104(a)(1), may apply the balance of the deposit account to the obligation secured by the  
12 deposit account; and

13 (5) If it holds a security interest in a deposit account perfected by control under section  
14 400.9-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for  
15 the benefit of the secured party.

16 (b) If necessary to enable a secured party to exercise under subsection (a)(3) the right of  
17 a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which  
18 a record of the mortgage is recorded:

19 (1) A copy of the security agreement that creates or provides for a security interest in the  
20 obligation secured by the mortgage; and

21 (2) The secured party's sworn affidavit in recordable form stating that:

22 (A) A default has occurred **with respect to the obligation secured by the mortgage;**  
23 and

24 (B) The secured party is entitled to enforce the mortgage nonjudicially.

25 (c) A secured party shall proceed in a commercially reasonable manner if the secured  
26 party:

27 (1) Undertakes to collect from or enforce an obligation of an account debtor or other  
28 person obligated on collateral; and

29 (2) Is entitled to charge back uncollected collateral or otherwise to full or limited  
30 recourse against the debtor or a secondary obligor.

31 (d) A secured party may deduct from the collections made pursuant to subsection (c)  
32 reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal  
33 expenses incurred by the secured party.

34 (e) This section does not determine whether an account debtor, bank, or other person  
35 obligated on collateral owes a duty to a secured party.

400.9-802. (a) Except as otherwise provided in this part, this act applies to a transaction  
2 or lien within its scope, even if the transaction or lien was entered into or created [before this act  
3 takes effect on July 1, 2013] **prior to August 28, 2013.**

4 (b) This act does not affect an action, case, or proceeding commenced before this act  
5 takes effect.

400.9-805. (a) The filing of a financing statement before this act takes effect is effective  
2 to perfect a security interest to the extent the filing would satisfy the applicable requirements for  
3 perfection under article 9 as amended by this act.

4 (b) This act does not render ineffective an effective financing statement that, before this  
5 act takes effect, is filed and satisfies the applicable requirements for perfection under the law of  
6 the jurisdiction governing perfection as provided in article 9 as it existed before amendment.  
7 However, except as otherwise provided in subsections (c) and (d) and section 400.9-806, the  
8 financing statement ceases to be effective:

9 (1) If the financing statement is filed in this state, at the time the financing statement  
10 would have ceased to be effective had this act not taken effect; or

11 (2) If the financing statement is filed in another jurisdiction, at the earlier of:

12 (A) The time the financing statement would have ceased to be effective under the law  
13 of that jurisdiction; or

14 (B) [June 30, 2018] **August 27, 2018.**

15 (c) The filing of a continuation statement after this act takes effect does not continue the  
16 effectiveness of a financing statement filed before this act takes effect. However, upon the  
17 timely filing of a continuation statement after this act takes effect and in accordance with the law

18 of the jurisdiction governing perfection as provided in article 9 as amended by this act, the  
19 effectiveness of a financing statement filed in the same office in that jurisdiction before this act  
20 takes effect continues for the period provided by the law of that jurisdiction.

21 (d) Subsection (b)(2)(B) applies to a financing statement that, before this act takes effect,  
22 is filed against a transmitting utility and satisfies the applicable requirements for perfection under  
23 the law of the jurisdiction governing perfection as provided in article 9 as it existed before  
24 amendment, only to the extent that article 9 as amended by this act provides that the law of a  
25 jurisdiction other than the jurisdiction in which the financing statement is filed governs  
26 perfection of a security interest in collateral covered by the financing statement.

27 (e) A financing statement that includes a financing statement filed before this act takes  
28 effect and a continuation statement filed after this act takes effect is effective only to the extent  
29 that it satisfies the requirements of Part 5 as amended by this act for an initial financing  
30 statement. A financing statement that indicates that the debtor is a decedent's estate indicates  
31 that the collateral is being administered by a personal representative within the meaning of  
32 section 400.9-503(a)(2) as amended by this act. A financing statement that indicates that the  
33 debtor is a trust or is a trustee acting with respect to property held in trust indicates that the  
34 collateral is held in a trust within the meaning of section 400.9-503(a)(3) as amended by this act.

400.9-806. (a) The filing of an initial financing statement in the office specified in  
2 section 400.9-501 continues the effectiveness of a financing statement filed before this act takes  
3 effect if:

4 (1) The filing of an initial financing statement in that office would be effective to perfect  
5 a security interest under article 9 as amended by this act;

6 (2) The pre-effective-date financing statement was filed in an office in another state; and

7 (3) The initial financing statement satisfies subsection (c).

8 (b) The filing of an initial financing statement under subsection (a) continues the  
9 effectiveness of the pre-effective-date financing statement:

10 (1) If the initial financing statement is filed before this act takes effect, for the period  
11 provided in unamended section 400.9-515 with respect to an initial financing statement; **[or] and**

12 (2) If the initial financing statement is filed after this act takes effect, for the period  
13 provided in section 400.9-515 as amended by this act with respect to an initial financing  
14 statement.

15 (c) To be effective for purposes of subsection (a), an initial financing statement must:

16 (1) Satisfy the requirements of section 400.9-500, et. seq., as amended by this act for an  
17 initial financing statement;

18 (2) Identify the pre-effective-date financing statement by indicating the office in which  
19 the financing statement was filed and providing the dates of filing and file numbers, if any, of

20 the financing statement and of the most recent continuation statement filed with respect to the  
21 financing statement; and

22 (3) Indicate that the pre-effective-date financing statement remains effective.

400.2A-103. (1) In this article unless the context otherwise requires:

2 (a) "Buyer in ordinary course of business" means a person who in good faith and without  
3 knowledge that the sale to him or her is in violation of the ownership rights or security interest  
4 or leasehold interest of a third party in the goods buys in ordinary course from a person in the  
5 business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for  
6 cash or by exchange of other property or on secured or unsecured credit and includes receiving  
7 goods or documents of title under a preexisting contract for sale but does not include a transfer  
8 in bulk or as security for or in total or partial satisfaction of a money debt.

9 (b) "Cancellation" occurs when either party puts an end to the lease contract for default  
10 by the other party.

11 (c) "Commercial unit" means such a unit of goods as by commercial usage is a single  
12 whole for purposes of lease and division of which materially impairs its character or value on  
13 the market or in use. A commercial unit may be a single article, as a machine, or a set of articles,  
14 as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit  
15 treated in use or in the relevant market as a single whole.

16 (d) "Conforming" goods or performance under a lease contract means goods or  
17 performance that are in accordance with the obligations under the lease contract.

18 (e) "Consumer lease" means a lease that a lessor regularly engaged in the business of  
19 leasing or selling makes to a lessee who is an individual and who takes under the lease primarily  
20 for a personal, family, or household purpose, if the total payments to be made under the lease  
21 contract, excluding payments for option to renew or buy, do not exceed fifty thousand dollars.

22 (f) "Fault" means wrongful act, omission, breach, or default.

23 (g) "Finance lease" means a lease with respect to which:

24 (i) the lessor does not select, manufacture, or supply the goods;

25 (ii) the lessor acquires the goods or the right to possession and use of the goods in  
26 connection with the lease; and

27 (iii) one of the following occurs:

28 (A) the lessee receives a copy of the contract by which the lessor acquired the goods or  
29 the right to possession and use of the goods before signing the lease contract;

30 (B) the lessee's approval of the contract by which the lessor acquired the goods or the  
31 right to possession and use of the goods is a condition to effectiveness of the lease contract;

32 (C) the lessor (aa) informs the lessee in writing of the identity of the supplier, unless the  
33 lessee has selected the supplier and directed the lessor to purchase the goods from the supplier,

34 (bb) informs the lessee in writing that the lessee may have rights under the contract evidencing  
35 the lessor's purchase of the goods, and (cc) advised the lessee in writing to contact the supplier  
36 for a description of any such rights, or

37 (D) the lease contract discloses all warranties and other rights provided to the lessee by  
38 the lessor and supplier in connection with the lease contract and informs the lessee that there are  
39 no warranties or other rights provided to the lessee by the lessor and supplier other than those  
40 disclosed in the lease contract.

41 (h) "Goods" means all things that are movable at the time of identification to the lease  
42 contract, or are fixtures as defined in Section 400.2A-309, but the term does not include money,  
43 documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like,  
44 including oil and gas, before extraction. The term also includes the unborn young of animals.

45 (i) "Installment lease contract" means a lease contract that authorizes or requires the  
46 delivery of goods in separate lots to be separately accepted, even though the lease contract  
47 contains a clause "each delivery is a separate lease" or its equivalent.

48 (j) "Lease" means a transfer of the right to possession and use of goods for a term in  
49 return for consideration, but a sale, including a sale on approval or a sale or return, or retention  
50 or creation of a security interest is not a lease. Unless the context clearly indicates otherwise,  
51 the term includes a sublease.

52 (k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the  
53 lessee in fact as found in their language or by implication from other circumstances including  
54 course of dealing or usage of trade or course of performance as provided in this Article. Unless  
55 the context clearly indicates otherwise, the term includes a sublease agreement.

56 (l) "Lease contract" means the total legal obligation that results from the lease agreement  
57 as affected by this Article and any other applicable rules of law. Unless the context clearly  
58 indicates otherwise, the term includes a sublease contract.

59 (m) "Leasehold interest" means the interest of the lessor or the lessee under a lease  
60 contract.

61 (n) "Lessee" means a person who acquires the right to possession and use of goods under  
62 a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

63 (o) "Lessee in ordinary course of business" means a person who in good faith and  
64 without knowledge that the lease to him or her is in violation of the ownership rights or security  
65 interest or leasehold interest of a third party in the goods leases in ordinary course from a person  
66 in the business of selling or leasing goods of that kind but does not include a pawnbroker.  
67 "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit  
68 and includes receiving goods or documents of title under a preexisting lease contract but does  
69 not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

70 (p) "Lessor" means a person who transfers the right to possession and use of goods under  
71 a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

72 (q) "Lessor's residual interest" means the lessor's interest in the goods after expiration,  
73 termination, or cancellation of the lease contract.

74 (r) "Lien" means a charge against or interest in goods to secure payment of a debt or  
75 performance of an obligation, but the term does not include a security interest.

76 (s) "Lot" means a parcel or a single article that is the subject matter of a separate lease  
77 or delivery, whether or not it is sufficient to perform the lease contract.

78 (t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind  
79 subject to the lease.

80 (u) "Present value" means the amount as of a date certain of one or more sums payable  
81 in the future, discounted to the date certain. The discount is determined by the interest rate  
82 specified by the parties if the rate was not manifestly unreasonable at the time the transaction was  
83 entered into; otherwise, the discount is determined by a commercially reasonable rate that takes  
84 into account the facts and circumstances of each case at the time the transaction was entered into.

85 (v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or  
86 any other voluntary transaction creating an interest in goods.

87 (w) "Sublease" means a lease of goods the right to possession and use of which was  
88 acquired by the lessor as a lessee under an existing lease.

89 (x) "Supplier" means a person from whom a lessor buys or leases goods to be leased  
90 under a finance lease.

91 (y) "Supply contract" means a contract under which a lessor buys or leases goods to be  
92 leased.

93 (z) "Termination" occurs when either party pursuant to a power created by agreement  
94 or law puts an end to the lease contract otherwise than for default.

95 (2) Other definitions applying to this article and the sections in which they appear are:

96 "Accessions". Section 400.2A-310(1).

97 "Construction mortgage". Section 400.2A-309(1)(d).

98 "Encumbrance". Section 400.2A-309(1)(e).

99 "Fixtures". Section 400.2A-309(1)(a).

100 "Fixture filing". Section 400.2A-309(1)(b).

101 "Purchase money lease". Section 400.2A-309(1)(c).

102 (3) The following definitions in other articles apply to this article:

103 "Account". Section 400.9-102(a)(2).

104 "Between merchants". Section 400.2-104(3).

105 "Buyer". Section 400.2-103(1)(a).

- 106 "Chattel paper". Section 400.9-102(a)(10).  
107 "Consumer goods". Section 400.9-102(a)(22).  
108 "Document". Section 400.9-102(a)(29).  
109 "Entrusting". Section 400.2-403(3).  
110 "General intangible". Section 400.9-102(a)(41).  
111 "Good faith". Section 400.2-103(1)(b).  
112 "Instrument". Section 400.9-102(a)(46).  
113 "Merchant". Section 400.2-104(1).  
114 "Mortgage". Section 400.9-102(a)(54).  
115 "Pursuant to commitment". Section 400.9-102(a)[(67)] **(68)**.  
116 "Receipt". Section 400.2-103(1)(c).  
117 "Sale". Section 400.2-106(1).  
118 "Sale on approval". Section 400.2-326.  
119 "Sale or return". Section 400.2-326.  
120 "Seller". Section 400.2-103(1)(d).  
121 (4) In addition article 1 contains general definitions and principles of construction and  
122 interpretation applicable throughout this article.

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