ENGROSSED HOUSE
BILL NO. 1833 By: Trebilcock of the House

and

Ivester of the Senate

An Act relating to the Uniform Commercial Code; amending 12A O.S. 2011, Sections 1-9-102, 1-9-105, 1-9-307, 1-9-311, 1-9-316, 1-9-317, 1-9-326, 1-9-406, 1-9-408, 1-9-502, 1-9-503, 1-9-507, 1-9-516, 1-9-518, 1-9-521 and 1-9-607, which relate to secured transactions; modifying definitions; adding definition; establishing standard for determining control of electronic chattel paper; modifying how control is obtained; providing for designation of location by certain organizations; clarifying application of law of other jurisdictions for certain purpose; providing for effect of change in governing law with respect to filed financing statements; clarifying when certain buyers take free of a security interest or agricultural lien; modifying when certain licensees take free of a security interest; modifying subordination of security interest created by new debtor; modifying when terms restricting assignment are ineffective; modifying requirements for record of mortgage as financing statement; modifying information that sufficiently provides the name of the debtor; modifying scope of post-filing changes in debtor's name that does not affect effectiveness of financing statement; specifying financing statement that is effective for debtor that is a transmitting utility; modifying grounds for refusal to accept a record; providing procedure for filing information statements of inaccurate or wrongfully filed records; modifying UCC finance statement forms; modifying content of certain sworn affidavit; providing for transition; amending 12A O.S. 2011, Section 2A-103, which relates to definitions; modifying statutory cite; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 12A O.S. 2011, Section 1-9-102, is amended to read as follows:

Section 1-9-102.

DEFINITIONS AND INDEX OF DEFINITIONS

(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) (A) "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 a person licensed or authorized to operate the game by a state or governmental unit of a state.

(B) The term includes health-care-insurance receivables.

(C) 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 property;

(v) letter-of-credit rights or letters of credit; or

(vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

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

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

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than thirty-five (35) days earlier or thirty-five (35) days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest in farm products:

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

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

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

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

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

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

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

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

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

(ii) attaches to the minerals as extracted; or

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

(7) "Authenticate" means:

(A) to sign; or

(B) ~~to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part,~~ with ~~the~~ present intent ~~of the authenticating person~~ to ~~identify the person and~~ adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process.

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

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

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. The term includes

another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

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

(A) proceeds to which a security interest attaches;

(B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) goods that are the subject of a consignment.

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

(A) the claimant is an organization; or

(B) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

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

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

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

(B) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

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

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

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

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

(18) "Communicate" means:

(A) to send a written or other tangible record;

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

(C) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

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

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

(A) the merchant:

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

(ii) is not an auctioneer; and

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

(B) with respect to each delivery, the aggregate value of the goods is One Thousand Dollars ($1,000.00) or more at the time of delivery;

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

(D) the transaction does not create a security interest that secures an obligation.

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

(22) "Consumer debtor" means a debtor in a consumer transaction.

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

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

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

(B) a security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(27) "Continuation 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 that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(A) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) a consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank as defined in paragraph (8) of this subsection. The term does not include investment property or a deposit account evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in subsection (b) of Section 7-201 of this title.

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(A) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) supplies used or produced in a farming operation; or

(D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to subsection (a) of Section 1-9-519 of this title.

(37) "Filing office" means an office designated in Section 1-9-501 as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to ~~Section~~ Sections 1-9-526 and 1-9-526.1 of this title.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying subsections (a) and (b) of Section 1-9-502 of this title. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) (A) "Goods" means all things that are movable when a security interest attaches.

(B) The term includes:

(i) fixtures;

(ii) standing timber that is to be cut and removed under a conveyance or contract for sale;

(iii) the unborn young of animals;

(iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes; and

(v) manufactured homes.

(C) The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if:

(i) the program is associated with the goods in such a manner that it customarily is considered part of the goods; or

(ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.

(D) The term does not include a computer program which is embedded in goods and that consist solely of the medium in which the program is embedded.

(E) The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a

monetary obligation for health-care goods or services provided or to be provided.

(47) (A) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary endorsement or assignment.

(B) "Instrument" includes:

(i) an instrument as defined in subparagraph (A) of this paragraph, whether the instrument is subject to Section 3-104 of this title because it is not payable to order; and

(ii) a writing that contains both an acknowledgment by a bank as defined in paragraph (8) of this subsection that a sum of money has been received by the bank and its promise to repay the sum of money, which is considered a certificate of deposit by the bank issuing it, even if the writing provides that it is nontransferable or uses similar language.

(C) The term does not include:

(i) investment property;

(ii) letters of credit; or

(iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

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

(A) are leased by a person as lessor;

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

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

(D) consist of raw materials, work in process, or materials used or consumed in a business.

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

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

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

(52) "Lien creditor" means:

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

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

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

(D) a receiver in equity from the time of appointment.

(53) (A) "Manufactured home" means a structure, transportable in one or more sections, which:

(i) in the traveling mode, is eight body feet or more in width or forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet,

(ii) is built on a permanent chassis,

(iii) is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and

(iv) includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

(B) The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and

Urban Development and complies with the standards established under Title 42 of the United States Code.

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

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

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

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

(56) "New debtor" means a person that becomes bound as a debtor under subsection (d) of Section 1-9-203 of this title by a security agreement previously entered into by another person.

(57) (A) "New value" means:

(i) money;

(ii) money's worth in property, services, or new credit; or

(iii) release by a transferee of an interest in property previously transferred to the transferee.

(B) The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) (A) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral:

(i) owes payment or other performance of the obligation;

(ii) has provided property other than the collateral to secure payment or other performance of the obligation; or

(iii) is otherwise accountable in whole or in part for payment or other performance of the obligation.

(B) The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor" means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under subsection (d) of Section 1-9-203 of this title.

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

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

(A) the spouse of the individual;

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

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

(D) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

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

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

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

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

(D) the spouse of an individual described in subparagraph (A), (B), or (C) of this paragraph; or

(E) an individual who is related by blood or marriage to an individual described in subparagraph (A), (B), (C), or (D) of this paragraph and who shares the same home with the individual.

(64) "Proceeds" means the following property:

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

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

(C) rights arising out of collateral;

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

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

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

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections 1-9-620, 1-9-621, and 1-9-622 of this title.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(A) debt securities are issued;

(B) all or a portion of the securities issued have an initial stated maturity of at least twenty (20) years; and

(C) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

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

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

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

(C) a record consisting of legislation enacted by the Legislature of a state or the Congress of the United States which forms or organizes an organization, any record amending the legislation, and any record filed with or issued by the state or United States which amends or restates the name of the organization.

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

~~(69)~~ (70) "Record", except as used in "for record", "of record", "record or legal title", and "record owner", means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

~~(70)~~ (71) "Registered organization" means an organization formed or organized solely under the law of a single state or the United States ~~and as to which the state or the United States must maintain a public record showing the organization to have been organized~~ by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by the state or United States. The term includes a business trust that is formed or organized under the law of a single

state if a statute of the state governing business trusts requires that the business trusts' organic record be filed with the state.

~~(71)~~ (72) "Secondary obligor" means an obligor to the extent that:

(A) the obligor's obligation is secondary; or

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

~~(72)~~ (73) "Secured party" means:

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

(B) a person that holds an agricultural lien;

(C) a consignor;

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

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

(F) a person that holds a security interest arising under Section 2-401, 2-505, paragraph (3) of Section 2-711, paragraph (5) of Section 2A-508, 4-210, or 5-118 of this title.

~~(73)~~ (74) "Security agreement" means an agreement that creates or provides for a security interest.

~~(74)~~ (75) "Send", in connection with a record or notification, means:

(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address 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) of this paragraph.

~~(75)~~ (76) "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)~~ (77) "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)~~ (78) "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)~~ (79) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

~~(79)~~ (80) "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)~~ (81) "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 7-106 of this title and the following definitions in other articles of this title apply to this article:

"Applicant" - Section 5-102 of this title.

"Beneficiary" - Section 5-102 of this title.

"Broker" - Section 8-102 of this title.

"Certificated security" - Section 8-102 of this title.

"Check" - Section 3-104 of this title.

"Clearing corporation" - Section 8-102 of this title.

"Contract for sale" - Section 2-106 of this title.

"Customer" - Section 4-104 of this title.

"Entitlement holder" - Section 8-102 of this title.

"Financial asset" - Section 8-102 of this title.

"Holder in due course" - Section 3-302 of this title.

"Issuer" (with respect to a letter of credit or letter-of-credit right)- Section 5-102 of this title.

"Issuer" – (with respect to a security) – Section 8-201 of this title.

"Issuer" – (with respect to documents of title) – Section 7-102 of this title.

"Lease" - Section 2A-103 of this title.

"Lease agreement" - Section 2A-103 of this title.

"Lease contract" - Section 2A-103 of this title.

"Leasehold interest" - Section 2A-103 of this title.

"Lessee" - Section 2A-103 of this title.

"Lessee in ordinary course of business" - Section 2A-103 of this title.

"Lessor" - Section 2A-103 of this title.

"Lessor's residual interest" - Section 2A-103 of this title.

"Letter of credit" - Section 5-102 of this title.

"Merchant" - Section 2-104 of this title.

"Negotiable instrument" - Section 3-104 of this title.

"Nominated person" - Section 5-102 of this title.

"Note" - Section 3-104 of this title.

"Proceeds of a letter of credit" - Section 5-114 of this title.

"Prove" - Section 3-103 of this title.

"Sale" - Section 2-106 of this title.

"Securities account" - Section 8-501 of this title.

"Securities intermediary" - Section 8-102 of this title.

"Security" - Section 8-102 of this title.

"Security certificate" - Section 8-102 of this title.

"Security entitlement" - Section 8-102 of this title.

"Uncertificated security" - Section 8-102 of this title.

(c) Article 1 of this title contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 2. AMENDATORY 12A O.S. 2011, Section 1-9-105, is amended to read as follows:

Section 1-9-105.

CONTROL OF ELECTRONIC CHATTEL PAPER

(a) A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.

(b) A system satisfies subsection (a) of this section, and a secured party has control of electronic chattel paper, if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs (4), (5), and (6) of this section, unalterable;

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

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

(4) copies or ~~revisions~~ amendments that add or change an identified assignee of the authoritative copy can be made only with the ~~participation~~ consent of the secured party;

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

(6) any ~~revision~~ amendment of the authoritative copy is readily identifiable as ~~an~~ authorized or unauthorized ~~revision~~.

SECTION 3. AMENDATORY 12A O.S. 2011, Section 1-9-307, is amended to read as follows:

Section 1-9-307.

LOCATION OF DEBTOR

(a) In this section, "place of business" means a place where a debtor conducts its affairs.

(b) Except as otherwise provided in this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence;

(2) A debtor that is an organization and has only one place of business is located at its place of business; and

(3) A debtor that is an organization and has more than one place of business is located at its chief executive office.

(c) Subsection (b) of this section of this section applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection (b) of this section does not apply, the debtor is located in the District of Columbia.

(d) A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections (b) and (c) of this section.

(e) A registered organization that is organized under the law of a state is located in that state.

(f) Except as otherwise provided in subsection (i) of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(1) in the state that the law of the United States designates, if the law designates a state of location;

(2) in the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location, including by designating its main office, home office, or other comparable office; or

(3) in the District of Columbia, if neither paragraph (1) nor paragraph (2) of this subsection applies.

(g) A registered organization continues to be located in the jurisdiction specified by subsection (e) or (f) of this section notwithstanding:

(1) the suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

(2) the dissolution, winding up, or cancellation of the existence of the registered organization.

(h) The United States is located in the District of Columbia.

(i) A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.

(j) A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

(k) This section applies only for purposes of this part.

SECTION 4. AMENDATORY 12A O.S. 2011, Section 1-9-311, is amended to read as follows:

Section 1-9-311.

PERFECTION OF SECURITY INTERESTS IN PROPERTY SUBJECT TO CERTAIN STATUTES, REGULATIONS, AND TREATIES

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

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt subsection (a) of Section 1-9-310 of this title;

(2) another statute of this state that provides for central filing of, or that requires indication on or delivery for indication on a certificate of title of, any security interest in the property as a condition or result of perfection, including, but not limited to, Section 1110 of Title 47 and Section 4013 of Title 63 of the Oklahoma Statutes;

(3) a ~~certificate-of-title~~ statute of another jurisdiction which provides for a security interest to be indicated on ~~the~~ a certificate of title as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property; or

(4) the law or procedure of a federally recognized Indian tribe, if the security interest is in a vehicle registered or to be registered by the federally recognized Indian tribe and if within thirty (30) days after the security interest attaches, it is noted on the face of a certificate of title issued by the Indian tribe or, notwithstanding subsection G of Section 1110 of Title 47 of the Oklahoma Statutes, the security interest is otherwise perfected under an applicable law or procedure of that tribe.

(b) Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) of this section for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (d) of this section and Section

1-9-313 and subsections (d) and (e) of Section 1-9-316 of this title for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) of this section may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) Except as otherwise provided in subsection (d) of this section and subsections (d) and (e) of Section 1-9-316 of this title, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) of this section are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(d) During any period in which collateral, described in Section 1110 of Title 47 and Section 4013 of Title 63 of the Oklahoma Statutes, is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person as debtor.

SECTION 5. AMENDATORY 12A O.S. 2011, Section 1-9-316, is amended to read as follows:

Section 1-9-316.

~~CONTINUED PERFECTION OF SECURITY INTEREST~~

~~FOLLOWING~~ EFFECT OF CHANGE IN GOVERNING LAW

(a) A security interest perfected pursuant to the law of the jurisdiction designated in paragraph (1) of Section 1-9-301 or subsection (c) of Section 1-9-305 of this title remains perfected until the earliest of:

(1) the time perfection would have ceased under the law of that jurisdiction;

(2) the expiration of four (4) months after a change of the debtor's location to another jurisdiction; or

(3) the expiration of one (1) year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

(b) If a security interest described in subsection (a) of this section becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(c) A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

(1) the collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

(2) thereafter the collateral is brought into another jurisdiction; and

(3) upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

(d) Except as otherwise provided in subsection (e) of this section, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this state remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

(e) A security interest described in subsection (d) of this section becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under subsection (b) of Section 1-9-311 or Section 1-9-313 of this title are not satisfied before the earlier of:

(1) the time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this state; or

(2) the expiration of four (4) months after the goods had become so covered.

(f) A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(1) the time the security interest would have become unperfected under the law of that jurisdiction; or

(2) the expiration of four (4) months after a change of the applicable jurisdiction to another jurisdiction.

(g) If a security interest described in subsection (f) of this section becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(h) The following rules apply to collateral to which a security interest attaches within four (4) months after the debtor changes its location to another jurisdiction:

(1) A financing statement filed before the change pursuant to the law of the jurisdiction designated in subsection (1) of Section 1-9-301 of this title or subsection (c) of 1-9-305 of this title is

effective to perfect a security interest in the collateral if the financing statement would have been effective to perfect a security interest in the collateral if the debtor had not changed its location.

(2) If a security interest that is perfected by a financing statement that is effective under paragraph (1) of this subsection becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in subsection (1) of Section 1-9-301 of this title or subsection (c) of Section 1-9-305 of this title or the expiration of the four-month period, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(i) If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction designated in paragraph (1) of Section 1-9-301 of this title or subsection (c) of Section 1-9-305 of this title and the new debtor is located in another jurisdiction, the following rules apply:

(1) The financing statement is effective to perfect a security interest in collateral in which the new debtor has or acquires rights before or within four (4) months after the new debtor becomes

bound under subsection (d) of Section 1-9-203 of this title, if the financing statement would have been effective to perfect a security interest in the collateral if the collateral had been acquired by the original debtor.

(2) A security interest that is perfected by the financing statement and which becomes perfected under the law of the other jurisdiction before the earlier of the expiration of the four-month period or the time the financing statement would have become ineffective under the law of the jurisdiction designated in subsection (1) of Section 1-9-301 of this title or subsection (c) of Section 1-9-305 of this title remains perfected thereafter. A security interest that is perfected by the financing statement but which does not become perfected under the law of the other jurisdiction before the earlier time or event becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

SECTION 6. AMENDATORY 12A O.S. 2011, Section 1-9-317, is amended to read as follows:

Section 1-9-317.

INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN

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

(1) a person entitled to priority under Section 1-9-322 of this title; and

(2) except as otherwise provided in subsection (e) of this section, a person that becomes a lien creditor before the earlier of the time:

(A) the security interest or agricultural lien is perfected; or

(B) one of the conditions specified in paragraph (3) of subsection (b) of Section 1-9-203 of this title is met and a financing statement covering the collateral is filed.

(b) Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a <u>certificated</u> security ~~certificate~~ takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

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

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

(e) Except as otherwise provided in Sections 1-9-320 and 1-9-321 of this title, if a person files a financing statement with respect to a purchase-money security interest before or within twenty (20) days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

SECTION 7. AMENDATORY 12A O.S. 2011, Section 1-9-326, is amended to read as follows:

Section 1-9-326.

PRIORITY OF SECURITY INTERESTS CREATED BY NEW DEBTOR

(a) Subject to subsection (b) of this section, a security interest that is created by a new debtor ~~which is~~ in collateral in which the new debtor has or acquires rights and perfected by a filed financing statement that ~~is effective solely under Section 1-9-508 of this title in collateral in which a new debtor has or acquires rights~~ would be ineffective to perfect the security interest but for

the application of Section 1-9-508 of this title or Sections 1-9-508 and paragraph (l) of subsection (i) of Section 1-9-316 of this title is subordinate to a security interest in the same collateral which is perfected other than by such a filed financing statement ~~that is effective solely under Section 1-9-508 of this title~~.

(b) The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements ~~that are effective solely under Section 1-9-508 of this title~~ described in subsection (a) of this section. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

SECTION 8. AMENDATORY 12A O.S. 2011, Section 1-9-406, is amended to read as follows:

Section 1-9-406.

DISCHARGE OF ACCOUNT DEBTOR; NOTIFICATION OF ASSIGNMENT; IDENTIFICATION AND PROOF OF ASSIGNMENT; RESTRICTIONS ON ASSIGNMENT OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, AND PROMISSORY NOTES INEFFECTIVE

(a) Subject to subsections (b) through (i) of this section, an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by

the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(b) Subject to subsection (h) of this section, notification is ineffective under subsection (a) of this section:

(1) if it does not reasonably identify the rights assigned;

(2) to the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this article; or

(3) at the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(A) only a portion of the account, chattel paper, or general intangible has been assigned to that assignee;

(B) a portion has been assigned to another assignee; or

(C) the account debtor knows that the assignment to that assignee is limited.

(c) Subject to subsection (h) of this section, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying

the assignor, even if the account debtor has received a notification under subsection (a) of this section.

(d) (1) Except as otherwise provided in paragraph (2) of this subsection and subsection (e) of this section and Sections 2A-303 and 1-9-407 of this title, and subject to subsection (h) of this section, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(A) prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(B) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

(2) This subsection does not apply to the assignment or transfer of or creation of a security interest in the following:

(i) a claim or right to receive compensation for injuries or sickness as described in 26 U.S.C., Section 104 (a)(1) or (2), as amended from time to time;

(ii) a claim or right to receive benefits under a special needs trust as described in 42 U.S.C., Section 1396p(d)(4), as amended from time to time; or

(iii) a structured settlement payment right as defined in paragraph 16 of Section 3239 of Title 12 of the Oklahoma Statutes to the extent of any conflict between the Uniform Commercial Code and the Structured Settlement Protection Act of 2001.

(e) Subsection (d) of this section does not apply to the sale of a payment intangible or promissory note, other than a sale pursuant to a disposition under Section 1-9-610 of this title or an acceptance of collateral under Section 1-9-620 of this title.

(f) Except as otherwise provided in Sections 2A-303 and 1-9-407 of this title and subject to subsections (h) and (i) of this section, a rule of law, statute, or regulation, that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel

paper is ineffective to the extent that the rule of law, statute, or regulation:

(1) prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account or chattel paper; or

(2) provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

(g) Subject to subsection (h) of this section, an account debtor may not waive or vary its option under paragraph (3) of subsection (b) of this section.

(h) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(i) This section does not apply to an assignment of a health-care-insurance receivable.

SECTION 9. AMENDATORY 12A O.S. 2011, Section 1-9-408, is amended to read as follows:

Section 1-9-408.

RESTRICTIONS ON ASSIGNMENT OF PROMISSORY NOTES, HEALTH-CARE-INSURANCE RECEIVABLES, AND CERTAIN GENERAL INTANGIBLES INEFFECTIVE

(a) Except as otherwise provided in subsection (b) of this section, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

(b) Subsection (a) of this section applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note, other than a sale pursuant to a disposition under

Section 1-9-610 of this title or an acceptance of collateral under Section 1-9-620 of this title.

(c) A rule of law, statute, or regulation, that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

(1) would impair the creation, attachment, or perfection of a security interest; or

(2) provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.

(d) To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (c) of this section would be effective under law other than this article but is ineffective under subsection (a) or (c) of this section, the creation, attachment, or perfection of a security interest in the

promissory note, health-care-insurance receivable, or general intangible:

(1) is not enforceable against the person obligated on the promissory note or the account debtor;

(2) does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(3) does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

(4) does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

(5) does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(6) does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.

(e) Subsections (a) and (c) of this section do not apply to the assignment or transfer of or creation of a security interest in:

(1) a claim or right to receive compensation for injuries or sickness as described in 26 U.S.C., Section 104(a)(1) or (2), as amended from time to time;

(2) a claim or right to receive benefits under a special needs trust as described in 42 U.S.C., Section 1396p(d)(4), as amended from time to time; or

(3) a structured settlement payment right as defined in paragraph 16 of Section 3239 of Title 12 of the Oklahoma Statutes to the extent of any conflict between the Uniform Commercial Code and the Structured Settlement Protection Act of 2001.

SECTION 10. AMENDATORY 12A O.S. 2011, Section 1-9-502, is amended to read as follows:

Section 1-9-502.

CONTENTS OF FINANCING STATEMENT; RECORD OF MORTGAGE AS FINANCING STATEMENT; TIME OF FILING FINANCING STATEMENT

(a) Subject to subsection (b) of this section, a financing statement is sufficient only if it:

(1) provides the name of the debtor;

(2) provides the name of the secured party or a representative of the secured party; and

(3) indicates the collateral covered by the financing statement.

(b) Except as otherwise provided in subsection (b) of Section 1-9-501 of this title, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection (a) of this section and also:

(1) indicate that it covers this type of collateral;

(2) indicate that it is to be filed against the tract index in the real property records;

(3) provide a description of the real property to which the collateral is related; and

(4) if the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) A record of a mortgage is effective, from the date of recording as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

(1) the record indicates the goods or accounts that it covers;

(2) the goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;

(3) the record satisfies the requirements for a financing statement in this section ~~other than an indication~~, but:

(A) the record need not indicate that it is to be filed in the real property records; and

(B) the record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom paragraph (4) of subsection (a) of Section 1-9-503 of this title applies; and

(4) the record is duly recorded.

(d) A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

(e) (1) No filing of a financing statement, continuation statement, termination statement, or assignment or release of a financing statement under the provisions of paragraph (1) of subsection (a) of Section 1-9-501 of this title shall constitute record notice of the contents thereof against any subsequent purchaser or encumbrancer of real estate or any interest therein unless the same contains a legal description of the real estate adequate for the purposes of indexing in the tract indexes of the county wherein the real estate is situated.

(2) It shall be the duty of the county clerk to cause all such financing statements, continuation statements, termination statements, or assignments or releases of financing statements containing an adequate legal description to be recorded and indexed

in the records of said office in the same place and manner as a mortgage on real estate or assignment or release thereof.

(3) To effectuate the provisions of Section 2A-309 of this title, a lessor of goods that are or are to become fixtures may file a fixture filing complying with that section, and filings related to that fixture filing, using the terms "lessor," "lessee," or the like instead of the terms specified in this part. The provisions of this article relating to a fixture filing or a filing related to it shall apply as appropriate in conjunction with the provisions of Article 2A of this title with respect to such filings.

(f) Except as otherwise provided in subsection (c) of this section, a financing statement, or any filing related to it, that complies with this section is sufficient and may be recorded and shall be effective as a financing statement even though it does not comply with the execution and acknowledgement requirements of Sections 15, 26, 93, 94, or 95 of Title 16 of the Oklahoma Statutes, as amended, or other statutes, if any, of like import that would impose requirements beyond those of the kind encompassed in this section.

SECTION 11. AMENDATORY 12A O.S. 2011, Section 1-9-503, is amended to read as follows:

Section 1-9-503.

NAME OF DEBTOR AND SECURED PARTY

(a) A financing statement sufficiently provides the name of the debtor:

(1) except as otherwise provided in paragraph (3) of this subsection, if the debtor is a registered organization or the collateral is held in a trust that is a registered organization, only if the financing statement provides the name ~~of the debtor indicated~~ that is stated to be the registered organization's name on the public organic record ~~of~~ most recently filed with or issued or enacted by the ~~debtor's~~ registered organization's jurisdiction of organization which ~~shows the debtor to have been organized~~ purports to state, amend, or restate the registered organization's name;

(2) subject to subsection (f) of this section, if the ~~debtor is a decedent's estate~~ collateral is being administered by the personal representative of a decedent, only if the financing statement provides, as the name of the debtor, the name of the decedent and, in a separate part of the financing statement, indicates that the ~~debtor is an estate~~ collateral is being administered by a personal representative;

(3) if the ~~debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement:~~

~~(A) provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from~~

~~other trusts having one or more of the same settlors; and~~

~~(B) indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and~~ collateral is held in a trust that is not a registered organization, only if the financing statement:

(A) provides, as the name of the debtor:

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

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

(B) in a separate part of the financing statement:

(i) if the name is provided in accordance with division (i) of subparagraph (A) of this paragraph, indicates that the collateral is held in a trust; or

(ii) if the name is provided in accordance with division (ii) of subparagraph (A) of this paragraph, provides additional information sufficient to distinguish the trust from other trusts having one or more of the same settlors or the same testator and indicates that the

collateral is held in a trust, unless the additional information so indicates;

(4) subject to subsection (g) of this section, if the debtor is an individual to whom this state has issued a driver license that has not expired, only if it provides the name of the individual which is indicated on the driver license;

(5) if the debtor is an individual to whom paragraph (4) of this subsection does not apply, only if it provides the individual name of the debtor or the surname and first personal name of the debtor; and

(6) in other cases:

(A) if the debtor has a name, only if it provides the ~~individual or~~ organizational name of the debtor; and

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

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

(1) a trade name or other name of the debtor; or

(2) unless required under subparagraph (B) of paragraph (4) of subsection (a) of this section, names of partners, members, associates, or other persons comprising the debtor.

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

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

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

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

(g) If this state has issued to an individual more than one driver license or identification card authorized to be issued by the Department of Public Safety of a kind described in paragraph (4) of subsection (a) of this section, the one that was issued most recently is the one to which paragraph (4) of subsection (a) of this section refers.

(h) The "name of the settlor or testator" means:

(1) if the settlor is a registered organization, the name of the registered organization indicated on the public organic record

filed with or issued or enacted by the registered organization's jurisdiction of organization; or

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

SECTION 12. AMENDATORY 12A O.S. 2011, Section 1-9-507, is amended to read as follows:

Section 1-9-507.

EFFECT OF CERTAIN EVENTS ON

EFFECTIVENESS OF FINANCING STATEMENT

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

(b) Except as otherwise provided in subsection (c) of this section and Section 1-9-508 of this title, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under Section 1-9-506 of this title.

(c) If ~~a debtor so changes its~~ the name that a filed financing statement provides for a debtor becomes insufficient as the name of the debtor under subsection (a) of Section 1-9-503 of this title so that the financing statement becomes seriously misleading under Section 1-9-506 of this title:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four (4) months after, the ~~change~~ filed financing statement becomes seriously misleading; and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four (4) months after the ~~change~~ filed financing statement becomes seriously misleading, unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four (4) months after ~~the change~~ that event.

SECTION 13. AMENDATORY 12A O.S. 2011, Section 1-9-516, is amended to read as follows:

Section 1-9-516.

WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING

(a) Except as otherwise provided in subsection (b) of this section, communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

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

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

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

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

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

(B) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by Section 1-9-512 or 1-9-518 of this title, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under Section 1-9-515 of this title;

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

(D) in the case of a record filed or recorded in the filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, the record does not provide a sufficient description of the real property to which it relates;

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

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

(A) provide a mailing address for the debtor; or

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

~~(C) if the financing statement indicates that the debtor is an organization, provide:~~

~~(i) a type of organization for the debtor;~~

~~(ii) a jurisdiction of organization for the debtor; or~~

~~(iii) an organizational identification number for the debtor or indicate that the debtor has none;~~

(6) in the case of an assignment reflected in an initial financing statement under paragraph (a) of Section 1-9-514 of this title or an amendment filed under subsection (b) of Section 1-9-514 of this title, the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection (d) of Section 1-9-515 of this title.

(c) For purposes of subsection (b) of this section:

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

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by Section 1-9-512, 1-9-514, or 1-9-518 of this title, is an initial financing statement.

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

SECTION 14. AMENDATORY 12A O.S. 2011, Section 1-9-518, is amended to read as follows:

Section 1-9-518.

CLAIM CONCERNING INACCURATE OR WRONGFULLY FILED RECORD

(a) A person may file in the filing office ~~a correction~~ <u>an information</u> statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

(b) ~~A correction~~ An information statement under subsection (a) of this section must:

(1) identify the record to which it relates by:

(A) the file number of the initial financing statement to which the record relates; and

(B) if the ~~correction~~ information statement relates to a record filed or recorded in a filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, the file number, the date that the initial financing statement was filed or recorded, and the information specified in ~~paragraph (1) of~~ subsection ~~(c)~~ (b) of Section 1-9-502 of this title;

(2) indicate that it is ~~a correction~~ an information statement; and

(3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

(c) A person may file in the filing office an information statement with respect to a record filed there if the person is a secured party of record with respect to the financing statement to which the record relates and believes that the person that filed the record was not entitled to do so under subsection (d) of Section 1-9-509 of this title.

(d) An information statement under subsection (c) of this section must:

(1) identify the record to which it relates by:

(A) the file number assigned to the initial financing statement to which the record relates; and

(B) if the statement relates to a record filed or recorded in a filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, the date that the initial financing statement was filed or recorded and the information specified in subsection (b) of Section 1-9-502 of this title;

(2) indicate that it is an information statement; and

(3) provide the basis for the person's belief that the person that filed the record was not entitled to do so under subsection (d) of Section 1-9-509 of this title.

(e) The filing of ~~a correction~~ an information statement does not affect the effectiveness of an initial financing statement or other filed record.

SECTION 15. AMENDATORY 12A O.S. 2011, Section 1-9-521, is amended to read as follows:

Section 1-9-521.

UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT

(a) A filing office that accepts written records may not refuse to accept a written initial financing statement in the following

form and format, except for a reason set forth in subsection (b) of Section 1-9-516 of this title:

~~UCC FINANCING STATEMENT~~

~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

~~A. NAME AND PHONE OF CONTACT AT FILER [optional]~~

~~B. SEND ACKNOWLEDGMENT TO: (Name and Address)~~

~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

~~1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - Do not abbreviate or combine names~~

~~1a. ORGANIZATION'S NAME~~

~~OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~1d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR~~ ~~1e. TYPE OF ORGANIZATION~~

~~1f. JURISDICTION OF ORGANIZATION~~ ~~1g. ORGANIZATIONAL ID No., if any~~ ~~[ ] NONE~~

~~2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names~~

~~2a. ORGANIZATION'S NAME~~

~~OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~2d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR~~ ~~2e. TYPE OF ORGANIZATION~~

~~2f. JURISDICTION OF ORGANIZATION~~ ~~2g. ORGANIZATIONAL ID No., if any~~

~~[ ] NONE~~

~~3. SECURED PARTY'S NAME (or name of total assignee of assignor S/P) - insert only one secured party name (3a or 3b)~~

~~3a. ORGANIZATION'S NAME~~

~~OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~4. This FINANCING STATEMENT covers the following collateral:~~

~~5. ALTERNATIVE DESIGNATION [if applicable]: [ ] LESSEE/LESSOR~~

~~[ ] CONSIGNEE/CONSIGNOR [ ] BAILEE/BAILOR [ ] SELLER/BUYER~~

~~[ ] AG. LIEN [ ] NON-UCC FILING~~

~~6. [ ] This FINANCING STATEMENT is to be filed against the tract~~

~~index in the REAL ESTATE RECORDS.~~

~~Attach Addendum [if applicable]~~

~~7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)~~

~~[ ] All Debtors [ ] Debtor 1 [ ] Debtor 2~~

~~[ADDITIONAL FEE] [optional]~~

~~8. OPTIONAL FILER REFERENCE DATA~~

~~FILING OFFICE COPY – NATIONAL UCC FILING STATEMENT (FORM UCC 1))~~

~~[BACK OF FORM]~~

~~UCC FINANCING STATEMENT ADDENDUM~~

~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY.~~

~~9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT~~

~~9a. ORGANIZATION'S NAME~~

~~OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~10. MISCELLANEOUS:~~

~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

~~11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names~~

~~11a. ORGANIZATION'S NAME~~

~~OR 11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~11d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR~~ ~~11e. TYPE OF ORGANIZATION~~

~~11f. JURISDICTION OF ORGANIZATION~~ ~~11g. ORGANIZATIONAL ID No., if any~~

~~[ ] NONE~~

~~12. [ ] ADDITIONAL SECURED PARTY'S or [ ] ASSIGNOR S/P'S NAME - insert only one name (12a or 12b).~~

~~12a. ORGANIZATION'S NAME~~

~~OR 12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~13. This FINANCING STATEMENT covers [ ] timber to be cut or [ ] as-extracted collateral, or is filed as a [ ] fixture filing.~~

~~14. Description of real estate:~~

_____

_____

~~15. Name and address of a RECORD OWNER of the above-described real estate (if Debtor does not have record interest):~~

_____

_____

~~16. Additional collateral description:~~

_____

_____

~~17. Check only if applicable and check only one box:~~

~~Debtor is a [ ] Trust or [ ] Trustee acting with respect to property held in trust or~~

~~[ ] Decedent's Estate~~

~~18. Check only if applicable and check only one box:~~

~~[ ] Debtor is a TRANSMITTING UTILITY~~

~~[ ] Filed in connection with a Manufactured-Home Transaction - effective 30 years~~

~~[ ] Filed in connection with a Public-Finance Transaction - effective 30 years~~

~~FILING OFFICE COPY - NATIONAL UCC FILING STATEMENT (FORM UCC 1Ad)~~

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME AND PHONE OF CONTACT AT FILER (optional)

_____

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

_____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

1. DEBTOR'S NAME - provide only one Debtor name (1a or 1b) - (use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

1a. ORGANIZATION'S NAME

_____

OR 1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

_____

1c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

2. DEBTOR'S NAME - provide only one Debtor name (2a or 2b)(use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

2a. ORGANIZATION'S NAME

_____

OR 2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

_____

2c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY) - provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

_____

OR 3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____ _____

3c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

4. COLLATERAL: This financing statement covers the following collateral:

_____

5. Check only if applicable and check only one box:

Collateral is [ ] held in a Trust (see instructions)

[ ] being administered by a Decedent's Personal Representative.

6a. Check only if applicable and check only one box:

[ ] Public-Finance Transaction

[ ] Manufactured-Home Transaction

[ ] A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

[ ] Agricultural Lien [ ] Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):

[ ] Lessee/Lessor

[ ] Consignee/Consignor

[ ] Seller-Buyer

[ ] Bailee/Bailor

[ ] Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA

_____

(UCC FINANCING STATEMENT (Form UCCI)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR (same as item 1a or 1b on Financing Statement)

9a. ORGANIZATION'S NAME

_____

OR

9b. INDIVIDUAL'S SURNAME

_____

FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____ _____

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. ADDITIONAL DEBTOR'S NAME - provide only one Debtor name (10a or 10b) (use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

10a. ORGANIZATION'S NAME

_____

OR

10b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____ _____

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF

THIS DEBTOR SUFFIX

_____

10c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

11. [ ] ADDITIONAL SECURED PARTY'S NAME or [ ] ASSIGNOR SECURED PARTY'S NAME - provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

_____

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____

11c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

_____

13. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

[ ] covers timber to be cut [ ] covers as-extracted collateral [ ] is filed as a fixture filing

15. Name and address of a RECORD OWNER of the real estate described in item 16 (if Debtor does not have record interest):

_____

16. Description of real estate:

_____

17. MISCELLANEOUS:

_____

(b) A filing office that accepts written records for filing may not refuse to accept a written financing statement amendment in the following form, except for a reason set forth in subsection (b) of Section 1-9-516 of this title:

~~UCC FINANCING STATEMENT AMENDMENT~~

~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

~~A. NAME AND PHONE OF CONTACT AT FILER [optional]~~

~~_____~~

~~B. SEND ACKNOWLEDGMENT TO: (Name and Address)~~

~~_____~~

~~_____ THE ABOVE SPACE IS FOR~~

~~_____ FILING OFFICE USE ONLY~~

~~1a. INITIAL FINANCING STATEMENT FILE NO. _____~~

~~1b. [ ] This FINANCING STATEMENT AMENDMENT is to be filed against the tract index in the REAL ESTATE RECORDS.~~

~~2. [ ] TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.~~

~~3. [ ] CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.~~

~~4. [ ] ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.~~

~~5. AMENDMENT (PARTY INFORMATION): This Amendment affects [ ] Debtor or [ ] Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.~~

~~[ ] CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.~~

~~[ ] DELETE name: Give record name to be deleted in item 6a or 6b.~~

~~[ ] ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).~~

~~6. CURRENT RECORD INFORMATION:~~

~~6a. ORGANIZATION'S NAME~~

~~OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~7. CHANGED (NEW) OR ADDED INFORMATION:~~

~~7a. ORGANIZATION'S NAME~~

~~OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

~~7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

~~7d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR~~ ~~7e. TYPE OF ORGANIZATION~~

~~7f. JURISDICTION OF ORGANIZATION~~ ~~7g. ORGANIZATIONAL ID No., if any~~

~~[ ] NONE~~

~~8. AMENDMENT (COLLATERAL CHANGE): check only one box~~

~~Describe collateral [ ] deleted or [ ] added, or give entire [ ] restated collateral description, or describe collateral [ ] assigned.~~

~~9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an~~

~~Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here [ ] and enter name of DEBTOR authorizing this Amendment.~~

~~9a. ORGANIZATION'S NAME~~

_____

~~OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

_____

~~10. OPTIONAL FILE REFERENCE DATA~~

_____

~~FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3)~~

~~[BACK OF FORM]~~

~~UCC FINANCING STATEMENT AMENDMENT ADDENDUM~~

~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

~~11. INITIAL FINANCING STATEMENT FILE NO. (same as item 1a on Amendment form)~~

_____

~~12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)~~

~~12a. ORGANIZATION'S NAME~~

_____

~~OR 12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

_____

~~13. USE THIS SPACE FOR ADDITIONAL INFORMATION~~

_____

_____ ~~THE ABOVE SPACE IS FOR~~

_____ ~~FILING OFFICE USE ONLY~~

~~FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT AMENDMENT~~

~~ADDENDUM (FORM UCC3Ad)~~

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME AND PHONE OF CONTACT AT FILER (optional)

_____

B. E-MAIL CONTACT AT FILER (optional)

_____

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

_____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

_____

1b. [ ] This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.

2. [ ] TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security

interest(s) of Secured Party authorizing this Termination Statement.

3. [ ] ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9. For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. [ ] CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

5. [ ] PARTY INFORMATION CHANGE:

Check one of these two boxes:

This Change affects [ ] Debtor or [ ] Secured Party of record.

AND

Check one of these three boxes to:

[ ] CHANGE name and/or address: Complete item 6a or 6b, and item 7a or 7b and item 7c.

[ ] ADD name: Complete item 7a or 7b, and item 7c.

[ ] DELETE name: Give record name to be deleted in item 6a or 6b.

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b) (use exact, full

name; do not omit, modify, or abbreviate any word in the Debtor's name)

6a. ORGANIZATION'S NAME

_____

OR

6b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____ _____

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact full name; do not omit, modify, or abbreviate any word in the Debtor's name)

7a. ORGANIZATION'S NAME

_____

OR

7b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

_____

7c. MAILING ADDRESS

_____

CITY STATE POSTAL CODE COUNTRY

_____

[ ] COLLATERAL CHANGE:

Also check one of these four boxes:

[ ] ADD collateral [ ] DELETE collateral [ ] RESTATE covered collateral [ ] ASSIGN collateral

Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT - provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)

If this is an Amendment authorized by a DEBTOR, check here [ ] and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME

_____

OR

9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____ _____

10. OPTIONAL FILE REFERENCE DATA

_____

UCC FINANCING STATEMENT AMENDMENT (FORM UCC3)

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS

11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item 1a on Amendment form)

_____

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

_____

OR

12b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____ _____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices - see Instruction for item 13 - insert only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any word in the Debtor's name)

13a. ORGANIZATION'S NAME

_____

OR

13b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME

_____

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

_____

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral)

_____

15. This FINANCING STATEMENT AMENDMENT: [ ] covers timber to be cut [ ] covers as-extracted collateral [ ] is filed as a fixture filing

16. Name and address of a RECORD OWNER of real estate described in item 17 (if Debtor does not have a record interest):

_____

17. Description of real estate

_____

18. MISCELLANEOUS:

_____

UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form UCC3Ad)

(c) A form that a filing office may not refuse to accept under subsection (a) or (b) of this section must conform to the format prescribed for the form by the National Conference of Commissioners on Uniform State Laws.

SECTION 16. AMENDATORY 12A O.S. 2011, Section 1-9-607, is amended to read as follows:

Section 1-9-607.

COLLECTION AND ENFORCEMENT BY SECURED PARTY

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

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

(2) may take any proceeds to which the secured party is entitled under Section 1-9-315 of this title;

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

(4) if it holds a security interest in a deposit account perfected by control under paragraph (1) of subsection (a) of Section 1-9-104 of this title, may apply the balance of the deposit account to the obligation secured by the deposit account; and

(5) if it holds a security interest in a deposit account perfected by control under paragraph (2) or (3) of subsection (a) Section 1-9-104 of this title, may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

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

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

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

(A) a default has occurred <u>with respect to the obligation secured by the mortgage</u>; and

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

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

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

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

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

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

PART 8. TRANSITION

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-801 of Title 12A, unless there is created a duplication in numbering, reads as follows:

[Blank]

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-802 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SAVINGS CLAUSE

(a) Except as otherwise provided in this part, this act applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before July 1, 2013.

(b) This act does not affect an action, case, or proceeding commenced before July 1, 2013.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-803 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST PERFECTED BEFORE EFFECTIVE DATE

(a) A security interest that is a perfected security interest immediately before this act takes effect is a perfected security interest under Article 9 of the Uniform Commercial Code as amended by this act if, when this act takes effect on July 1, 2013, the applicable requirements for attachment and perfection under Article 9 of the Uniform Commercial Code as amended by this act are satisfied without further action.

(b) Except as otherwise provided in Section 22 of this act, if, immediately before this act takes effect, a security interest is a perfected security interest, but the applicable requirements for perfection under Article 9 of the Uniform Commercial Code as amended by this act are not satisfied when this act takes effect on July 1, 2013, the security interest remains perfected thereafter only if the applicable requirements for perfection under Article 9 of the Uniform Commercial Code as amended by this act are satisfied within one (1) year after this act takes effect.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-804 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST UNPERFECTED BEFORE EFFECTIVE DATE

A security interest that is an unperfected security interest immediately before this act takes effect becomes a perfected security interest:

(1) without further action, when this act takes effect on July 1, 2013, if the applicable requirements for perfection under Article 9 of the Uniform Commercial Code as amended by this act are satisfied before or at that time; or

(2) when the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-805 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECTIVENESS OF ACTION TAKEN

BEFORE EFFECTIVE DATE

(a) The filing of a financing statement before this act takes effect is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under Article 9 of the Uniform Commercial Code as amended by this act.

(b) This act does not render ineffective an effective financing statement that, before this act takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in Article 9 of the Uniform Commercial Code as it existed before amendment. However, except as otherwise provided in subsections (c) and (d) of this section and Section 23 of this act, the financing statement ceases to be effective:

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

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

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

(B) June 30, 2018.

(c) The filing of a continuation statement after this act takes effect does not continue the effectiveness of the financing statement filed before this act takes effect. However, upon the timely filing of a continuation statement after this act takes effect on July 1, 2013, and in accordance with the law of the jurisdiction governing perfection as provided in Article 9 of the Uniform Commercial Code as amended by this act, the effectiveness of a financing statement filed in the same office in that jurisdiction before this act takes effect continues for the period provided by the law of that jurisdiction.

(d) Subparagraph (B) of paragraph (2) of subsection (b) of this section applies to a financing statement that, before this act takes effect, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in Article 9 of the Uniform Commercial Code as it existed before amendment only to the

extent Article 9 of the Uniform Commercial Code as amended by this act provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(e) A financing statement that includes a financing statement filed before this act takes effect and a continuation statement filed after this act takes effect is effective only to the extent that it satisfies the requirements of Part 5 of Article 9 of the Uniform Commercial Code as amended by this act for an initial financing statement. A financing statement that indicates that the debtor is a decedent's estate indicates that the collateral is being administered by a personal representative within the meaning of paragraph (2) of subsection (a) of Section 1-9-503 of Title 12A of the Oklahoma Statutes as amended by this act. A financing statement that indicates that the debtor is a trust or is a trustee acting with respect to property held in trust indicates that the collateral is held in a trust within the meaning of paragraph (3) of subsection (a) of Section 1-9-503 of Title 12A of the Oklahoma Statutes as amended by this act.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-806 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHEN INITIAL FINANCING STATEMENT SUFFICES

TO CONTINUE EFFECTIVENESS OF FINANCING STATEMENT

(a) The filing of an initial financing statement in the office specified in Section 1-9-501 of Title 12A of the Oklahoma Statutes continues the effectiveness of a financing statement filed before this act takes effect if:

(1) the filing of an initial financing statement in that office would be effective to perfect a security interest under Article 9 of the Uniform Commercial Code as amended by this act;

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

(3) the initial financing statement satisfies subsection (c) of this section.

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

(1) if the initial financing statement is filed before this act takes effect, for the period provided in Section 1-9-515 of Title 12A of the Oklahoma Statutes as it existed before amendment by this act with respect to a financing statement; and

(2) if the initial financing statement is filed after this act takes effect, for the period provided in Section 1-9-515 of Title 12A of the Oklahoma Statutes as amended by this act with respect to an initial financing statement.

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

(1) satisfy the requirements of Part 5 of Article 9 of the Uniform Commercial Code as amended by this act for an initial financing statement;

(2) identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

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

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-807 of Title 12A, unless there is created a duplication in numbering, reads as follows:

AMENDMENT OF PRE-EFFECTIVE-DATE FINANCING STATEMENT

(a) In this section, "pre-effective-date financing statement" means a financing statement filed before this act takes effect.

(b) After this act takes effect on July 1, 2013, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in Article 9 of the Uniform Commercial Code as amended by this act. However,

the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

(c) Except as otherwise provided in subsection (d) of this section, if the law of this state governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended after this act takes effect only if:

(1) the pre-effective-date financing statement and an amendment are filed in the office specified in Section 1-9-501 of Title 12A of the Oklahoma Statutes;

(2) an amendment is filed in the office specified in Section 1-9-501 of Title 12A of the Oklahoma Statutes concurrently with, or after the filing in that office of, an initial financing statement that satisfies subsection (c) of Section 23 of this act; or

(3) an initial financing statement that provides the information as amended and satisfies subsection (c) of Section 23 of this act is filed in the office specified in Section 1-9-501 of Title 12A of the Oklahoma Statutes.

(d) If the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under subsections (c) and (e) of Section 22 of this act or Section 23 of this act.

(e) Whether or not the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date

financing statement filed in this state may be terminated after this act takes effect by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies subsection (c) of Section 23 of this act has been filed in the office specified by the law of the jurisdiction governing perfection as provided in Article 9 of the Uniform Commercial Code as amended by this act as the office in which to file a financing statement.

SECTION 24. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-808 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERSONS ENTITLED TO FILE INITIAL

FINANCING STATEMENT OR CONTINUATION STATEMENT

A person may file an initial financing statement or a continuation statement under this part if:

(1) the secured party of record authorizes the filing; and

(2) the filing is necessary under this part:

(A) to continue the effectiveness of a financing statement filed before this act takes effect; or

(B) to perfect or continue the perfection of a security interest.

SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-809 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY

This act determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before this act takes effect, Article 9 as it existed before amendment by this act determines priority.

SECTION 26. AMENDATORY 12A O.S. 2011, Section 2A-103, is amended to read as follows:

Section 2A-103.

DEFINITIONS AND INDEX OF DEFINITIONS

(1) In this article unless the context otherwise requires:

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

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

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

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

(e) “Consumer lease” means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual and who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed Forty-five Thousand Dollars ($45,000.00).

(f) “Fault” means wrongful act, omission, breach, or default.

(g) “Finance lease” means a lease with respect to which:

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

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

(iii) one of the following occurs:

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

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

(C) the lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including

those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

(D) if the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person, (b) that the lessee is entitled under this article to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee may communicate with the

person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (Section 2A-309 of this title). The term includes future goods, specially manufactured goods, and the unborn young of animals. The term does not include information, the money in which the price is to be paid, investment securities under Article 8 of the Uniform Commercial Code, minerals or the like, including oil and gas, before extraction, or choses in action.

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

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation

of a security interest or license of information is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

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

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

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

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

(o) "Lessee in the ordinary course of business" means a person who in good faith and without knowledge that the lease to him is in violation of the ownership

rights or security interest or leasehold interest of a third party in the goods leases in the ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes acquiring goods or documents of title under a preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

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

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

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

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery,

whether or not it is sufficient to perform the lease contract.

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

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

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

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

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

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

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

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

"Accessions". Subsection (1) of Section 2A-310 of this title.

"Construction mortgage". Paragraph (d) of subsection (1) of Section 2A-309 of this title.

"Encumbrance". Paragraph (e) of subsection (1) of Section 2A-309 of this title.

"Fixtures". Paragraph (a) of subsection (1) of Section 2A-309 of this title.

"Fixture filing". Paragraph (b) of subsection (1) of Section 2A-309 of this title.

"Purchase money lease". Paragraph (c) of subsection (1) of Section 2A-309 of this title.

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

"Account". Paragraph (2) of subsection (a) of Section 1-9-102 of this title.

"Between merchants". Subsection (3) of Section 2-104 of this title.

"Buyer". Paragraph (a) of subsection (1) of Section 2-103 of this title.

"Chattel paper". Paragraph (11) of subsection (a) of Section 1-9-102 of this title.

"Consumer goods". Paragraph (23) of subsection (a) of Section 1-9-102 of this title.

"Document". Paragraph (30) of subsection (a) of Section 1-9-102 of this title.

"Entrusting". Paragraph (3) of Section 2-403 of this title.

"General intangible". Paragraph (42) of subsection (a) of Section 1-9-102 of this title.

"Instrument". Paragraph (47) of subsection (a) of Section 1-9-102 of this title.

"Merchant". Subsection (1) of Section 2-104 of this title.

"Mortgage". Paragraph (55) of subsection (a) of Section 1-9-102 of this title.

"Pursuant to commitment". Paragraph ~~(68)~~ (69) of subsection (a) of Section 1-9-102 of this title.

"Receipt". Subsection (c) of paragraph (1) of Section 2-103 of this title.

"Sale". Paragraph (1) of Section 2-106 of this title.

"Sale on approval". Section 2-326 of this title.

"Sale or return". Section 2-326 of this title.

"Seller". Subparagraph (d) of paragraph (1) of Section 2-103 of this title.

(4) In addition, Article 1 of this title, contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 27. This act shall become effective July 1, 2013.

Passed the House of Representatives the 6th day of March, 2012.

_____
Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2012.

_____
Presiding Officer of the Senate