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HOUSE . . . . . No. 24

The Commonwealth of Massachusetts

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The Honorable Steven James
Clerk of the House of Representatives
State House, Room 145
Boston, Massachusetts 02133

January 3, 2011

Dear Mr. James:

[Recommendation Header Text]

1.) AN ACT ADOPTING THE UNIFORM ASSIGNMENT OF RENTS ACT

[Recommendation Narrative Text]

Sincerely,

[Filer Name]
[Filer Title]

HOUSE . . . . . No. 24

So much of the recommendations of the Commission on Uniform State Laws (House, No. 22) as relates to adopting the uniform assignment of rents act (House, No. 24). The Judiciary.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act adopting the uniform assignment of rents act.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 4 of chapter 183 of the General Laws is hereby amended by deleting such section and by substituting therefor the following:-

A conveyance of an estate in fee simple, fee tail or for life, or a lease for more than seven years from the making thereof, or an assignment of rents from an estate or lease, shall not be valid as against any person, except the grantor or lessor, his heirs and devisees and persons having actual notice of it, unless it, or an office copy as provided in section thirteen of chapter thirty-six, or, with respect to such a lease or an assignment of rents, a notice of lease, as hereinafter defined, or a document creating an assignment of rents in accordance with chapter one hundred eighty-three D, is recorded in the registry of deeds for the county or district in which the land to which it relates lies. A “notice of lease”, as used in this section, shall mean an instrument in writing executed by all persons who are parties to the lease of which notice is given and shall contain the following information with reference to such lease:—the date of execution thereof and a description, in the form contained in such lease, of the premises demised,

14 and the term of such lease, with the date of commencement of such term and all rights of
15 extension or renewal.

16 SECTION 2. Section 26 of chapter 183 of the General Laws is hereby amended by
17 deleting such section and by substituting therefor the following:-

18 Until default in the performance or observance of the condition of a mortgage of real
19 estate, the mortgagor or his heirs and assigns may hold and enjoy the mortgaged premises, unless
20 otherwise stated in the mortgage, and may receive the rents and profits thereof except as
21 provided in chapter one hundred eighty-three D.

22 SECTION 3. The General Laws are hereby further amended by adding the following
23 new chapter 183D:-

24 CHAPTER 183D. UNIFORM ASSIGNMENT OF RENTS ACT

25 SECTION 1. SHORT TITLE. This chapter may be cited as the Uniform Assignment of
26 Rents Act.

27 SECTION 2. DEFINITIONS. In this chapter:

28 (1) "Assignee" means a person entitled to enforce an assignment of rents.

29 (2) "Assignment of rents" means a transfer of an interest in rents in connection with an
30 obligation secured by real property located in this state and from which the rents arise.

31 (3) "Assignor" means a person that makes an assignment of rents or the successor owner
32 of the real property from which the rents arise.

33 (4) “Cash proceeds” means proceeds that are money, checks, deposit accounts, or the
34 like.

35 (5) “Day” means calendar day.

36 (6) “Deposit account” means a demand, time, savings, passbook, or similar account
37 maintained with a bank, savings bank, savings and loan association, credit union, or trust
38 company.

39 (7) “Document” means information that is inscribed on a tangible medium or that is
40 stored on an electronic or other medium and is retrievable in perceivable form.

41 (8) “Notification” means a document containing information that this chapter requires a
42 person to provide to another, signed by the person required to provide the information.

43 (9) “Person” means an individual, corporation, business trust, estate, trust, partnership,
44 limited liability company, association, joint venture, public corporation, government, or
45 governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

46 (10) “Proceeds” means personal property that is received or collected on account of a
47 tenant’s obligation to pay rents.

48 (11) “Purchase” means to take by sale, lease, discount, negotiation, mortgage, pledge,
49 lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest
50 in property.

51 (12) “Rents” means:

52 (A) sums payable for the right to possess or occupy, or for the actual possession or
53 occupation of, real property of another person;

54 (B) sums payable to an assignor under a policy of rental interruption insurance covering
55 real property;

56 (C) claims arising out of a default in the payment of sums payable for the right to possess
57 or occupy real property of another person;

58 (D) sums payable to terminate an agreement to possess or occupy real property of
59 another person;

60 (E) sums payable to an assignor for payment or reimbursement of expenses incurred in
61 owning, operating and maintaining, or constructing or installing improvements on, real property;
62 or

63 (F) any other sums payable under an agreement relating to the real property of another
64 person that constitute rents under law of this state other than this chapter.

65 (13) "Secured obligation" means an obligation the performance of which is secured by
66 an assignment of rents.

67 (14) "Security instrument" means a document, however denominated, that creates or
68 provides for a security interest in real property, whether or not it also creates or provides for a
69 security interest in personal property.

70 (15) "Security interest" means an interest in property that arises by agreement and
71 secures performance of an obligation.

72 (16) "Sign" means, with present intent to authenticate or adopt a document:

73 (A) to execute or adopt a tangible symbol; or

74 (B) to attach to or logically associate with the document an electronic sound, symbol, or
75 process.

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

79 (18) "Submit for recording" means to submit a document complying with applicable
80 legal standards, with required fees and taxes, to the appropriate governmental office under
81 chapter 183 of the General Laws.

82 (19) "Tenant" means a person that has an obligation to pay sums for the right to possess
83 or occupy, or for possessing or occupying, the real property of another person.

84 SECTION 3. MANNER OF GIVING NOTIFICATION.

85 (a) Except as otherwise provided in subsections (c) and (d), a person gives a notification
86 or a copy of a notification under this chapter:

87 (1) by depositing it with the United States Postal Service or with a commercially
88 reasonable delivery service, properly addressed to the intended recipient's address as specified in
89 subsection (b), with first-class postage or cost of delivery provided for; or

90 (2) if the recipient agreed to receive notification by facsimile transmission, electronic
91 mail, or other electronic transmission, by sending it to the recipient in the agreed manner at the
92 address specified in the agreement.

93 (b) The following rules determine the proper address for giving a notification under
94 subsection (a):

95 (1) A person giving a notification to an assignee shall use the address for notices to the
96 assignee provided in the document creating the assignment of rents, but, if the assignee has
97 provided the person giving the notification with a more recent address for notices, the person
98 giving the notification shall use that address.

99 (2) A person giving a notification to an assignor shall use the address for notices to the
100 assignor provided in the document creating the assignment of rents, but, if the assignor has
101 provided the person giving the notification with a more recent address for notices, the person
102 giving the notification shall use that address.

103 (3) If a tenant's agreement with an assignor provides an address for notices to the tenant
104 and the person giving notification has received a copy of the agreement or knows the address for
105 notices specified in the agreement, the person giving the notification shall use that address in
106 giving a notification to the tenant. Otherwise, the person shall use the address of the premises
107 covered by the agreement.

108 (c) If a person giving a notification pursuant to this chapter and the recipient have agreed
109 to the method for giving a notification, any notification must be given by that method.

110 (d) If a notification is received by the recipient, it is effective even if it was not given in
111 accordance with subsection (a) or (c).

112 SECTION 4. SECURITY INSTRUMENT CREATES ASSIGNMENT OF RENTS;
113 ASSIGNMENT OF RENTS CREATES SECURITY INTEREST.

114 (a) An enforceable security instrument creates an assignment of rents arising from the
115 real property described in the security instrument, unless the security instrument provides
116 otherwise.

117 (b) An assignment of rents creates a presently effective security interest in all accrued
118 and unaccrued rents arising from the real property described in the document creating the
119 assignment, regardless of whether the document is in the form of an absolute assignment, an
120 absolute assignment conditioned upon default, an assignment as additional security, or any other
121 form. The security interest in rents is separate and distinct from any security interest held by the
122 assignee in the real property.

123 SECTION 5. RECORDATION; PERFECTION OF SECURITY INTEREST IN
124 RENTS; PRIORITY OF CONFLICTING INTERESTS IN RENTS.

125 (a) A document creating an assignment of rents may be submitted for recording in the
126 registry of deeds for the county or district in which the land to which the assignment relates in
127 the same manner as any other document evidencing a conveyance of an interest in real property.

128 (b) Upon recording, the security interest in rents created by an assignment of rents is
129 fully perfected, even if a provision of the document creating the assignment or law of this state
130 other than this chapter would preclude or defer enforcement of the security interest until the

131 occurrence of a subsequent event, including a subsequent default of the assignor, the assignee's
132 obtaining possession of the real property, or the appointment of a receiver.

133 (c) Except as otherwise provided in subsection (d), a perfected security interest in rents
134 takes priority over the rights of a person that, after the security interest is perfected:

135 (1) acquires a judicial lien against the rents or the real property from which the rents
136 arise; or

137 (2) purchases an interest in the rents or the real property from which the rents arise.

138 (d) A perfected security interest in rents has priority over the rights of a person described
139 in subsection (c) with respect to future advances to the same extent as the assignee's security
140 interest in the real property has priority over the rights of that person with respect to future
141 advances.

142 SECTION 6. ENFORCEMENT OF SECURITY INTEREST IN RENTS.

143 (a) An assignee may enforce an assignment of rents using one or more of the methods
144 specified in Sections 7, 8, and 9 or any other method sufficient to enforce the assignment under
145 law of this state other than this chapter.

146 (b) From the date of enforcement, the assignee or, in the case of enforcement by
147 appointment of a receiver under Section 7, the receiver, is entitled to collect all rents that:

148 (1) have accrued but remain unpaid on that date; and

149 (2) accrue on or after that date, as those rents accrue.

150 SECTION 7. ENFORCEMENT BY APPOINTMENT OF RECEIVER.

151 (a) An assignee is entitled to the appointment of a receiver for the real property subject
152 to the assignment of rents if:

153 (1) the assignor is in default and:

154 (A) the assignor has agreed in a signed document to the appointment of a receiver in the
155 event of the assignor's default;

156 (B) it appears likely that the real property may not be sufficient to satisfy the secured
157 obligation;

158 (C) the assignor has failed to turn over to the assignee proceeds that the assignee was
159 entitled to collect; or

160 (D) a subordinate assignee of rents obtains the appointment of a receiver for the real
161 property; or

162 (2) other circumstances exist that would justify the appointment of a receiver under law
163 of this state other than this chapter.

164 (b) An assignee may file a petition for the appointment of a receiver in connection with
165 an action:

166 (1) to foreclose the security instrument;

167 (2) for specific performance of the assignment;

168 (3) seeking a remedy on account of waste or threatened waste of the real property subject
169 to the assignment; or

170 (4) otherwise to enforce the secured obligation or the assignee's remedies arising from
171 the assignment.

172 (c) An assignee that files a petition under subsection (b) shall also give a copy of the
173 petition in the manner specified in Section 3 to any other person that, 10 days before the date the
174 petition is filed, held a recorded assignment of rents arising from the real property.

175 (d) If an assignee enforces an assignment of rents under this section, the date of
176 enforcement is the date on which the court enters an order appointing a receiver for the real
177 property subject to the assignment.

178 (e) From the date of its appointment, a receiver is entitled to collect rents as provided in
179 Section 6(b). The receiver also has the authority provided in the order of appointment and law of
180 this state other than this chapter.

181 (f) The following rules govern priority among receivers:

182 (1) If more than one assignee qualifies under this section for the appointment of a
183 receiver, a receivership requested by an assignee entitled to priority in rents under this chapter
184 has priority over a receivership requested by a subordinate assignee, even if a court has
185 previously appointed a receiver for the subordinate assignee.

186 (2) If a subordinate assignee obtains the appointment of a receiver, the receiver may
187 collect the rents and apply the proceeds in the manner specified in the order appointing the
188 receiver until a receiver is appointed under a senior assignment of rents.

189 SECTION 8. ENFORCEMENT BY NOTIFICATION TO ASSIGNOR.

190 (a) Upon the assignor's default, or as otherwise agreed by the assignor, the assignee may
191 give the assignor a notification demanding that the assignor pay over the proceeds of any rents
192 that the assignee is entitled to collect under Section 6. The assignee shall also give a copy of the
193 notification to any other person that, 10 days before the notification date, held a recorded
194 assignment of rents arising from the real property.

195 (b) If an assignee enforces an assignment of rents under this section, the date of
196 enforcement is the date on which the assignor receives a notification under subsection (a).

197 (c) An assignee's failure to give a notification under subsection (a) to any person holding
198 a recorded assignment of rents does not affect the effectiveness of the notification as to the
199 assignor, but the other person is entitled to any relief permitted under law of this state other than
200 this chapter.

201 (d) An assignee that holds a security interest in rents solely by virtue of Section 4(a) may
202 not enforce the security interest under this section while the assignor occupies the real property
203 as the assignor's primary residence.

204 SECTION 9. ENFORCEMENT BY NOTIFICATION TO TENANT.

205 (a) Upon the assignor's default, or as otherwise agreed by the assignor, the assignee may
206 give to a tenant of the real property a notification demanding that the tenant pay to the assignee
207 all unpaid accrued rents and all unaccrued rents as they accrue. The assignee shall give a copy of
208 the notification to the assignor and to any other person that, 10 days before the notification date,
209 held a recorded assignment of rents arising from the real property. The notification must be
210 signed by assignee and:

211 (1) identify the tenant, assignor, assignee, premises covered by the agreement between
212 the tenant and the assignor, and assignment of rents being enforced;

213 (2) provide the recording data for the document creating the assignment or other
214 reasonable proof that the assignment was made;

215 (3) state that the assignee has the right to collect rents in accordance with the assignment;

216 (4) direct the tenant to pay to the assignee all unpaid accrued rents and all unaccrued
217 rents as they accrue;

218 (5) describe the manner in which subsections (c) and (d) affect the tenant's payment
219 obligations;

220 (6) provide the name and telephone number of a contact person and an address to which
221 the tenant can direct payment of rents and any inquiry for additional information about the
222 assignment or the assignee's right to enforce the assignment; and

223 (7) contain a statement that the tenant may consult a lawyer if the tenant has questions
224 about its rights and obligations.

225 (b) If an assignee enforces an assignment of rents under this section, the date of
226 enforcement is the date on which the tenant receives a notification substantially complying with
227 subsection (a).

228 (c) Subject to subsection (d) and any other claim or defense that a tenant has under law
229 of this state other than this chapter, following receipt of a notification substantially complying
230 with subsection (a):

231 (1) a tenant is obligated to pay to the assignee all unpaid accrued rents and all unaccrued
232 rents as they accrue, unless the tenant has previously received a notification from another
233 assignee of rents given by that assignee in accordance with this section and the other assignee
234 has not canceled that notification;

235 (2) unless the tenant occupies the premises as the tenant's primary residence, a tenant
236 that pays rents to the assignor is not discharged from the obligation to pay rents to the assignee;

237 (3) a tenant's payment to the assignee of rents then due satisfies the tenant's obligation
238 under the tenant's agreement with the assignor to the extent of the payment made; and

239 (4) a tenant's obligation to pay rents to the assignee continues until the tenant receives a
240 court order directing the tenant to pay the rent in a different manner or a signed document from
241 the assignee canceling its notification, whichever occurs first.

242 (d) A tenant that has received a notification under subsection (a) is not in default for
243 nonpayment of rents accruing within 30 days after the date the notification is received before the
244 earlier of:

245 (1) 10 days after the date the next regularly scheduled rental payment would be due; or

246 (2) 30 days after the date the tenant receives the notification.

247 (e) Upon receiving a notification from another creditor that is entitled to priority under
248 Section 5(c) that the other creditor has enforced and is continuing to enforce its interest in rents,
249 an assignee that has given a notification to a tenant under subsection (a) shall immediately give
250 another notification to the tenant canceling the earlier notification.

251 (f) An assignee's failure to give a notification under subsection (a) to any person holding
252 a recorded assignment of rents does not affect the effectiveness of the notification as to the
253 assignor and those tenants receiving the notification. However, the person entitled to the
254 notification is entitled to any relief permitted by law of this state other than this chapter.

255 (g) An assignee that holds a security interest in rents solely by virtue of Section 4(a) may
256 not enforce the security interest under this section while the assignor occupies the real property
257 as the assignor's primary residence.

258 SECTION 10. NOTIFICATION TO TENANT: FORM. No particular phrasing is
259 required for the notification specified in Section 9. However, the following form of notification,
260 when properly completed, is sufficient to satisfy the requirements of Section 9:

261 NOTIFICATION TO PAY RENTS TO PERSON OTHER THAN LANDLORD

262 Tenant:

263 Name of Tenant

264 Property Occupied by Tenant (the "Premises"):

265 Address

266 Landlord:

267 Name of landlord

268 Assignee:

269 Name of assignee

270 Address of Assignee and Telephone Number of Contact Person:

271 Address of assignee

272 Telephone number of person to contact

273 1. The Assignee named above has become the person entitled to collect

274 your rents on the Premises listed above under

275 Name of document

276 (the "Assignment of Rents") dated _____, and recorded at

277 Date Recording data

278 in the .

279 Appropriate governmental office under the recording act of this state

280 You may obtain additional information about the Assignment of Rents and the

281 Assignee's right to enforce it at the address listed above.

282 2. The Landlord is in default under the Assignment of Rents. Under

283 the Assignment of Rents, the Assignee is entitled to collect rents from the Premises.

284 3. This notification affects your rights and obligations under the

285 agreement under which you occupy the Premises (your "Agreement"). In order to

286 provide you with an opportunity to consult with a lawyer, if your next scheduled

287 rental payment is due within 30 days after you receive this notification, neither the
288 Assignee nor the Landlord can hold you in default under your Agreement for
289 nonpayment of that rental payment until 10 days after the due date of that payment
290 or 30 days following the date you receive this notification, whichever occurs first.
291 You may consult a lawyer at your expense concerning your rights and obligations
292 under your Agreement and the effect of this notification.
293 4. You must pay to the Assignee at the address listed above all rents
294 under your Agreement which are due and payable on the date you receive this
295 notification and all rents accruing under your Agreement after you receive this
296 notification. If you pay rents to the Assignee after receiving this notification, the
297 payment will satisfy your rental obligation to the extent of that payment.
298 5. Unless you occupy the Premises as your primary residence, if you
299 pay any rents to the Landlord after receiving this notification, your payment to the
300 Landlord will not discharge your rental obligation, and the Assignee may hold you
301 liable for that rental obligation notwithstanding your payment to the Landlord.
302 6. If you have previously received a notification from another person
303 that also holds an assignment of the rents due under your Agreement, you should

304 continue paying your rents to the person that sent that notification until that person

305 cancels that notification. Once that notification is canceled, you must begin paying

306 rents to the Assignee in accordance with this notification.

307 7. Your obligation to pay rents to the Assignee will continue until you

308 receive either:

309 (a) a written order from a court directing you to pay the rent in a

310 manner specified in that order; or

311 (b) written instructions from the Assignee canceling this notification.

312 Name of assignee

313 By: Officer/authorized agent of assignee

314 SECTION 11. EFFECT OF ENFORCEMENT. The enforcement of an assignment of

315 rents by one or more of the methods identified in Sections 7, 8, and 9, the application of proceeds

316 by the assignee under Section 12 after enforcement, the payment of expenses under Section 13,

317 or an action under Section 14(d) does not:

318 (1) make the assignee a mortgagee in possession of the real property;

319 (2) make the assignee an agent of the assignor;

320 (3) constitute an election of remedies that precludes a later action to enforce the secured

321 obligation;

322 (4) make the secured obligation unenforceable; or

323 (5) limit any right available to the assignee with respect to the secured obligation.

324 SECTION 12. APPLICATION OF PROCEEDS. Unless otherwise agreed, an assignee
325 that collects rents under this chapter or collects upon a judgment in an action under Section 14(d)
326 shall apply the sums collected in the following order to:

327 (1) the assignee's reasonable expenses of enforcing its assignment of rents, including, to
328 the extent provided for by agreement and not prohibited by law of this state other than this
329 chapter, reasonable attorney's fees and costs incurred by the assignee;

330 (2) reimbursement of any expenses incurred by the assignee to protect or maintain the
331 real property subject to the assignment;

332 (3) payment of the secured obligation;

333 (4) payment of any obligation secured by a subordinate security interest or other lien on
334 the rents if, before distribution of the proceeds, the assignor and assignee receive a notification
335 from the holder of the interest or lien demanding payment of the proceeds; and

336 (5) the assignor.

337 SECTION 13. APPLICATION OF PROCEEDS TO EXPENSES OF PROTECTING
338 REAL PROPERTY; CLAIMS AND DEFENSES OF TENANT.

339 (a) Unless otherwise agreed by the assignee, and subject to subsection (c), an assignee
340 that collects rents following enforcement under Section 8 or 9 need not apply them to the
341 payment of expenses of protecting or maintaining the real property subject to the assignment.

342 (b) Unless a tenant has made an enforceable agreement not to assert claims or defenses,
343 the right of the assignee to collect rents from the tenant is subject to the terms of the agreement
344 between the assignor and tenant and any claim or defense arising from the assignor's
345 nonperformance of that agreement.

346 (c) This chapter does not limit the standing or right of a tenant to request a court to
347 appoint a receiver for the real property subject to the assignment or to seek other relief on the
348 ground that the assignee's nonpayment of expenses of protecting or maintaining the real property
349 has caused or threatened harm to the tenant's interest in the property. Whether the tenant is
350 entitled to the appointment of a receiver or other relief is governed by law of this state other than
351 this chapter.

352 SECTION 14. TURNOVER OF RENTS; COMMINGLING AND IDENTIFIABILITY
353 OF RENTS; LIABILITY OF ASSIGNOR.

354 (a) In this section, "good faith" means honesty in fact and the observance of reasonable
355 commercial standards of fair dealing.

356 (b) If an assignor collects rents that the assignee is entitled to collect under this chapter:

357 (1) the assignor shall turn over the proceeds to the assignee, less any amount
358 representing payment of expenses authorized by the assignee; and

359 (2) the assignee continues to have a security interest in the proceeds so long as they are
360 identifiable.

361 (c) For purposes of this chapter, cash proceeds are identifiable if they are maintained in a
362 segregated account or, if commingled with other funds, to the extent the assignee can identify

363 them by a method of tracing, including application of equitable principles, that is permitted under
364 law of this state other than this chapter with respect to commingled funds.

365 (d) In addition to any other remedy available to the assignee under law of this state other
366 than this chapter, if an assignor fails to turn over proceeds to the assignee as required by
367 subsection (b), the assignee may recover from the assignor in a civil action:

368 (1) the proceeds, or an amount equal to the proceeds, that the assignor was obligated to
369 turn over under subsection (b); and

370 (2) reasonable attorney's fees and costs incurred by the assignee to the extent provided
371 for by agreement and not prohibited by law of this state other than this chapter.

372 (e) The assignee may maintain an action under subsection (d) without bringing an action
373 to foreclose any security interest that it may have in the real property. Any sums recovered in
374 the action must be applied in the manner specified in Section 12.

375 (f) Unless otherwise agreed, if an assignee entitled to priority under Section 5(c)
376 enforces its interest in rents after another creditor holding a subordinate security interest in rents
377 has enforced its interest under Section 8 or 9, the creditor holding the subordinate security
378 interest in rents is not obligated to turn over any proceeds that it collects in good faith before the
379 creditor receives notification that the senior assignee has enforced its interest in rents. The
380 creditor shall turn over to the senior assignee any proceeds that it collects after it receives the
381 notification.

382 SECTION 15. PERFECTION AND PRIORITY OF ASSIGNEE'S SECURITY
383 INTEREST IN PROCEEDS.

384 (a) In this section:

385 (1) "Article 9" means Article 9 of the Uniform Commercial Code as adopted in chapter
386 106 of the General Laws or, to the extent applicable to any particular issue, Article 9 as adopted
387 by the state whose laws govern that issue under the choice-of-laws rules contained in Article 9 as
388 adopted by this state.

389 (2) "Conflicting interest" means an interest in proceeds, held by a person other than an
390 assignee, that is:

391 (A) a security interest arising under Article 9; or

392 (B) any other interest if Article 9 resolves the priority conflict between that person and a
393 secured party with a conflicting security interest in the proceeds.

394 (b) An assignee's security interest in identifiable cash proceeds is perfected if its security
395 interest in rents is perfected. An assignee's security interest in identifiable noncash proceeds is
396 perfected only if the assignee perfects that interest in accordance with Article 9.

397 (c) Except as otherwise provided in subsection (d), priority between an assignee's
398 security interest in identifiable proceeds and a conflicting interest is governed by the priority
399 rules in Article 9.

400 (d) An assignee's perfected security interest in identifiable cash proceeds is subordinate
401 to a conflicting interest that is perfected by control under Article 9 but has priority over a
402 conflicting interest that is perfected other than by control.

403 SECTION 16. PRIORITY SUBJECT TO SUBORDINATION. This chapter does not
404 preclude subordination by agreement as to rents or proceeds.

405 SECTION 17. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In
406 applying and construing this uniform act, consideration must be given to the need to promote
407 uniformity of the law with respect to its subject matter among states that enact it.

408 SECTION 18. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND
409 NATIONAL COMMERCE ACT. This chapter modifies, limits, and supersedes the federal
410 Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001, et. seq.)
411 but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or
412 authorize electronic delivery of any of the notices described in Section 103(b) of that act (15
413 U.S.C. Section 7003(b)).

414 SECTION 19. APPLICATION TO EXISTING RELATIONSHIPS.

415 (a) Except as otherwise provided in this section, this chapter governs the enforcement of
416 an assignment of rents and the perfection and priority of a security interest in rents, even if the
417 document creating the assignment was signed and delivered before the effective date of this
418 chapter.

419 (b) This chapter does not affect an action or proceeding commenced before the effective
420 date of this chapter.

421 (c) Section 4(a) of this chapter does not apply to any security instrument signed and
422 delivered before the effective date of this chapter.

423 (d) This chapter does not affect:

424 (1) the enforceability of an assignee's security interest in rents or proceeds if,
425 immediately before the effective date of this chapter, that security interest was enforceable;

426 (2) the perfection of an assignee's security interest in rents or proceeds if, immediately
427 before the effective date of this chapter, that security interest was perfected; or

428 (3) the priority of an assignee's security interest in rents or proceeds with respect to the
429 interest of another person if, immediately before the effective date of this chapter, the interest of
430 the other person was enforceable and perfected, and that priority was established.