

*to do so only if he in good faith believes that the prospect of payment or performance is impaired. The burden of establishing lack of good faith is on the party against whom the power has been exercised.*

*Sub-title 2*

*Sales*

*Part 1*

*Short Title, General Construction and Subject Matter*

*2—101. Short Title.*

*This Sub-title shall be known and may be cited as Uniform Commercial Code—Sales.*

*2—102. Scope; Certain Security and Other Transactions Excluded From This Sub-title.*

*Unless the context otherwise requires, this Sub-title applies to transactions in goods; it does not apply to any transaction which although in the form of an unconditional contract to sell or present sale is intended to operate only as a security transaction nor does this Sub-title impair or repeal any statute regulating sales to consumers, farmers or other specified classes of buyers.*

*2—103. Definitions and Index of Definitions.*

*(1) In this Sub-title unless the context otherwise requires*

*(a) "Buyer" means a person who buys or contracts to buy goods.*

*(b) "Good faith" in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.*

*(c) "Receipt" of goods means taking physical possession of them.*

*(d) "Seller" means a person who sells or contracts to sell goods.*

*(2) Other definitions applying to this Sub-title or to specified Parts thereof, and the sections in which they appear are:*

*"Acceptance". Section 2—606.*

*"Banker's credit". Section 2—325.*

*"Between merchants". Section 2—104.*

*"Cancellation". Section 2—106(4).*

*"Commercial unit". Section 2—105.*

*"Confirmed credit". Section 2—325.*

*"Conforming to contract". Section 2—106.*

*"Contract for sale". Section 2—106.*

*"Cover". Section 2—712.*

*"Entrusting". Section 2—403.*

*"Financing agency". Section 2—104.*

*"Future goods". Section 2—105.*

*"Goods". Section 2—105.*

*"Identification". Section 2—501.*

*"Installment contract". Section 2—612.*

*"Letter of credit". Section 2—325.*