

1-105.

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of such other state or nation shall govern their rights and duties. Failing such agreement Titles 1 through 10 of this article apply to transactions bearing an appropriate relation to this State.

(2) Where one of the following provisions of Titles 1 through 10 of this article specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. § 2-402.

APPLICABILITY OF THE TITLE ON LEASES. §§ 2A-105 AND 2A-106.

Applicability of the title on bank deposits and collections. § 4-102.

Governing law in the title on funds transfers. §4A-507.

Bulk transfers subject to the title on bulk transfers. § 6-102.

Applicability of the title on investment securities. § 8-106.

Perfection provisions of the title on secured transactions. § 9-103.

1-201.

Subject to additional definitions contained in the subsequent titles of this article which are applicable to specific titles or subtitles thereof, and unless the context otherwise requires, in Titles 1 through 10 of this article:

(37) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (§ 2-401) is limited in effect to a reservation of a "security interest." The term also includes any interest of a buyer of accounts or chattel paper which is subject to Title 9. The special property interest of a buyer of goods on identification of such goods to a contract for sale under § 2-401 is not a "security interest," but a buyer may also acquire a "security interest" by complying with Title 9. Unless a [lease or] consignment is intended as security, reservation of title thereunder is not a "security interest" but a consignment is in any event subject to the provisions on consignment sales (§ 2-326). [Whether a lease is intended as security is to be determined by the facts of each case; however, (a) the inclusion of an option to purchase does not of itself make the lease one intended for security, and (b) an agreement that upon compliance with the terms of the lease the lessee shall become or has the option to become the owner of the property for no additional consideration or for a nominal consideration does make the lease one intended for security.]