

554.9610 Disposition of collateral after default.

1. *Disposition after default.* After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

2. *Commercially reasonable disposition.* Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

3. *Purchase by secured party.* A secured party may purchase collateral:

a. at a public disposition; or

b. at a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

4. *Warranties on disposition.* A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

5. *Disclaimer of warranties.* A secured party may disclaim or modify warranties under subsection 4:

a. in a manner that would be effective to disclaim or modify the warranties in a voluntary disposition of property of the kind subject to the contract of disposition; or

b. by communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer or modification of the warranties.

6. *Record sufficient to disclaim warranties.* A record is sufficient to disclaim warranties under subsection 5 if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

2000 Acts, ch 1149, §108, 187