

with the Uniform Commercial Code and in every case we are adopting new model language provided to us by the Uniform State Law Commissioners. I'd like to begin by explaining those two first concepts. The Uniform Commercial Code is an attempt to draw very similar commercial legal rules for transactions such as sales, such as bank deposits, such as security interest in goods and the like so that every state will have basically the same business law as you travel from jurisdiction to jurisdiction. Why? Because we've moved to a national marketplace in which people from L.A. call, on the phone, people in New York and buy goods and services as well. Those transactions are done over the phone, they're done with an underlying assumption that the rules are basically the same in New York as they are in California and at one time it was a nightmare to try to learn the rules in all the jurisdictions so you knew what your rights were as you crossed jurisdiction lines. The Uniform Commercial Code is not a federal act, it's a state act that has been passed in every one of the 50 states. It is the largest of the commercial acts and there is a separate volume in your statute books on the Uniform Commercial Code and all of its articles. Each state makes some variations for itself but the purpose of the Uniform Commercial Code is, number one, to provide a standard set of commercial law for every state in the country so that merchants will be able to assume reasonably what the rules are when they are doing business with merchants in other states. And, secondly, to promote the performance of contracts rather than have them fail on some technical ground because of the old intricate rules of common law which made it difficult to, in fact, meet and carry out the terms of the contract. The commercial code operates in a way to allow merchants to fill in blanks, to provide numbers later, to provide terms later than the contract date without sacrificing the performance rights under that contract. So that is the Uniform Commercial Code. Secondly, the Uniform State Law Commissioners is a congregation of law professors, judges, practitioners and experts in various commercial fields. They meet for the purpose of drafting model legislation of interests to many states and the Uniform State Law Commissioners have spent a great deal of time and effort studying recent cases, recent trends and attempting to update this commercial law. The first of our four measures is a change to the Uniform Commercial Code by adding a new article. This is Article II(a) and it covers the topic of leases, both real estate leases and commercial leases where you lease a car, where you lease heavy equipment, where you lease a commercial good and keep the rights