

**70A-9a-336 Commingled goods.**

- (1) In this section, "commingled goods" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.
- (2) A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.
- (3) If collateral becomes commingled goods, a security interest attaches to the product or mass.
- (4) If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under Subsection (3) is perfected.
- (5) Except as otherwise provided in Subsection (6), the other provisions of this part determine the priority of a security interest that attaches to the product or mass under Subsection (3).
- (6) If more than one security interest attaches to the product or mass under Subsection (3), the following rules determine priority:
  - (a) A security interest that is perfected under Subsection (4) has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.
  - (b) If more than one security interest is perfected under Subsection (4), the security interests rank equally in proportion to the value of the collateral at the time it became commingled goods.

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