



Ohio Revised Code

Section 1310.01 Definitions - UCC 2A-103.

Effective: June 29, 2011

Legislation: House Bill 9 - 129th General Assembly

(A) As used in sections 1310.01 to 1310.78 of the Revised Code, unless the context otherwise requires:

(1) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods buys in ordinary course from a person in the business of selling goods of that kind. "Buyer in ordinary course of business" does not include a pawnbroker. "Buying" may be for cash, by exchange of other property, or on secured or unsecured credit and includes acquiring goods or documents of title under a preexisting contract for sale. "Buying" does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(2) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(3) "Commercial unit" means a unit of goods that by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A "commercial unit" may be a single article, including a machine; a set of articles, including a suite of furniture or a line of machinery; a quantity, including a gross or carload; or any other unit treated in use or in the relevant market as a single whole.

(4) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(5) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual and who takes under the lease primarily for a personal, family, or household purpose.

(6) "Fault" means wrongful act, omission, breach, or default.



(7) "Finance lease" means a lease with respect to which all of the following apply:

(a) The lessor does not select, manufacture, or supply the goods;

(b) The lessor acquires the goods or the right to possession and use of the goods in connection with the lease;

(c) One of the following occurs:

(i) The lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(ii) The lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract;

(iii) Before signing the lease contract, the lessee receives an accurate and complete statement designating the promises and warranties, disclaimers of warranties, limitations or modifications of remedies, or liquidated damages of the manufacturer of the goods and of any other third party that were provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods;

(iv) If the lease is not a consumer lease, before the lessee signs the lease contract, the lessor informs the lessee in writing of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person; that the lessee is entitled under sections 1310.01 to 1310.78 of the Revised Code to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; and that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.



(8) "Goods" means all things that are movable at the time of identification to the lease contract or that are fixtures, as defined in section 1310.37 of the Revised Code. "Goods" does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. "Goods" includes the unborn young of animals.

(9) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(10) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration. A sale, including a sale on approval or a sale or return, or retention or creation of a security interest, is not a lease. Unless the context clearly indicates otherwise, "lease" includes a sublease.

(11) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances, including course of dealing, usage of trade, or course of performance as provided in sections 1310.01 to 1310.78 of the Revised Code. Unless the context clearly indicates otherwise, "lease agreement" includes a sublease agreement.

(12) "Lease contract" means the total legal obligation that results from the lease agreement as affected by sections 1310.01 to 1310.78 of the Revised Code and any other applicable rules of law. Unless the context clearly indicates otherwise, "lease contract" includes a sublease contract.

(13) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(14) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, "lessee" includes a sublessee.

(15) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in ordinary course from a person in the business of selling or leasing goods of that kind. "Lessee in ordinary course of business" does not



include a pawnbroker. "Leasing" may be for cash, by exchange of other property, or on secured or unsecured credit and includes acquiring goods or documents of title under a preexisting lease contract. "Leasing" does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(16) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, "lessor" includes a sublessor.

(17) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(18) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation but does not include a security interest.

(19) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(20) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(21) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the parties entered into the transaction. The discount otherwise is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the parties entered into the transaction.

(22) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(23) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(24) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a



finance lease.

(25) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(26) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(B) The following definitions also apply to sections 1310.01 to 1310.78 of the Revised Code:

(1) "Accessions," as defined in section 1310.38 of the Revised Code;

(2) "Construction mortgage," "encumbrance," "fixtures," "fixture filing," and "purchase money lease" as defined in section 1310.37 of the Revised Code.

(C) As used in sections 1310.01 to 1310.78 of the Revised Code:

(1) "Account," "chattel paper," "document," "general intangible," "instrument," "mortgage," and "pursuant to commitment" have the same meanings as in section 1309.102 of the Revised Code.

(2) "Between merchants," "buyer," "merchant," "receipt," "sale," and "seller" have the same meanings as in section 1302.01 of the Revised Code.

(3) "Consumer goods" has the same meaning as in section 1309.07 of the Revised Code.

(4) "Entrusting" has the same meaning as in section 1302.44 of the Revised Code.

(5) "Good faith" has the same meaning as in section 1301.201 of the Revised Code.

(6) "Sale on approval" and "sale or return" have the same meanings as in section 1302.39 of the Revised Code.

(D) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout this chapter.