



Ohio Revised Code

Section 1310.73 Lessor's rights to dispose of goods - UCC 2A-527.

Effective: June 29, 2011

Legislation: House Bill 9 - 129th General Assembly

(A) After a default of the type described in division (A) or (C)(1) of section 1310.69 of the Revised Code by a lessee under the lease contract, after the lessor refuses to deliver or takes possession of goods as provided in section 1310.71 or 1310.72 of the Revised Code, or, if agreed, after other default by a lessee, the lessor may dispose of the goods concerned or the undelivered balance of the goods concerned by lease, sale, or otherwise.

(B) Except as otherwise provided with respect to damages liquidated in the lease agreement pursuant to section 1310.50 of the Revised Code or otherwise determined pursuant to agreement of the parties as provided in section 1301.302 and section 1310.49 of the Revised Code, if the disposition is by lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessor may recover from the lessee as damages all of the following:

(1) Accrued and unpaid rent as of the date of the commencement of the term of the new lease agreement;

(2) The present value, as of the same date, of the total rent for the then remaining lease term of the original lease agreement minus the present value, as of the same date, of the rent under the new lease agreement applicable to that period of the new lease term that is comparable to the then remaining term of the original lease agreement;

(3) Any incidental damages allowed under section 1310.76 of the Revised Code, less expenses saved in consequence of the lessee's default.

(C) If the lessor's disposition of the goods is by a lease agreement that for any reason does not qualify for treatment under division (B) of this section, or is by sale or otherwise, the lessor may recover from the lessee as if the lessor had elected not to dispose of the goods, and section 1310.74 of the Revised Code governs.



(D) A subsequent buyer or lessee who buys or leases from the lessor in good faith for value as a result of a disposition of goods under this section takes the goods free of the original lease contract and any rights of the original lessee even though the lessor fails to comply with one or more of the requirements of sections 1310.01 to 1310.78 of the Revised Code.

(E) The lessor is not accountable to the lessee for any profit made on any disposition. A lessee who has rightfully rejected or justifiably revoked acceptance and has proceeded in accordance with division (E) of section 1310.54 of the Revised Code shall account to the lessor for any excess over the amount of the lessee's security interest.