



Ohio Revised Code

Section 1310.62 Effect of acceptance of goods - notice of default - burden of establishing default after acceptance - notice of claim or litigation to person answerable over - UCC 2A-516.

Effective: November 6, 1992

Legislation: House Bill 693 - 119th General Assembly

(A) A lessee shall pay rent for any goods accepted in accordance with the lease contract, with due allowance for goods rightfully rejected or not delivered.

(B) A lessee's acceptance of goods precludes rejection of the goods accepted. In the case of a finance lease, if acceptance is made with knowledge of a nonconformity, the acceptance cannot be revoked because of the nonconformity. In any other case, if acceptance is made with knowledge of a nonconformity, the acceptance cannot be revoked because of the nonconformity, unless the acceptance was on the reasonable assumption that the nonconformity would be seasonably cured, acceptance does not of itself impair any other remedy for nonconformity provided by sections 1310.01 to 1310.78 of the Revised Code or the lease agreement.

(C) If a tender has been accepted, all of the following apply:

(1) Within a reasonable time after the lessee discovers or should have discovered any default, the lessee shall notify the lessor and supplier, if any, or be barred from any remedy against the party not notified.

(2) Except in the case of a consumer lease, within a reasonable time after the lessee receives notice of litigation for infringement or the like, as provided in section 1310.18 of the Revised Code, the lessee shall notify the lessor or be barred from any remedy over for liability established by the litigation.

(3) The burden is on the lessee to establish any default.

(D) If a lessee is sued for breach of a warranty or other obligation for which a lessor or a supplier is answerable over, both of the following apply:



(1) The lessee may give the lessor or supplier, or both, written notice of the litigation. If the notice states that the person notified may come in and defend and that, if the person notified does not do so, that person will be bound in any action against that person by the lessee by any determination of fact common to the two litigations, then, unless the person notified after reasonable receipt of the notice does come in and defend, that person is so bound.

(2) The lessor or supplier may demand in writing that the lessee turn over control of the litigation, including settlement, if the claim is one for infringement or the like, as provided in section 1310.18 of the Revised Code, or else be barred from any remedy over. If the demand states that the lessor or supplier agrees to bear all expense and to satisfy any adverse judgment, then, unless the lessee after reasonable receipt of the demand does turn over control, the lessee is so barred.

(E) Divisions (C) and (D) of this section apply to any obligation of a lessee to hold the lessor or supplier harmless against infringement or the like as provided in section 1310.18 of the Revised Code.