



Ohio Revised Code

Section 1310.38 Lessor's and lessee's rights when goods become accessions - UCC 2A-310.

Effective: November 6, 1992

Legislation: House Bill 693 - 119th General Assembly

(A) For purposes of this section, goods are "accessions" when they are installed in or affixed to other goods.

(B) The interest of a lessor or a lessee under a lease contract entered into before the goods became accessions is superior to all interests in the whole except as stated in division (D) of this section.

(C) The interest of a lessor or a lessee under a lease contract entered into at the time or after the goods became accessions is superior to all subsequently acquired interests in the whole except as stated in division (D) of this section but is subordinate to interests in the whole existing at the time the lease contract was made unless the holders of those interests in the whole have in writing consented to the lease or disclaimed an interest in the goods as part of the whole.

(D) The interest of a lessor or a lessee under a lease contract described in division (B) or (C) of this section is subordinate to the interest of either of the following:

(1) A buyer in the ordinary course of business or a lessee in the ordinary course of business of any interest in the whole acquired after the goods became accessions;

(2) A creditor with a security interest in the whole perfected before the lease contract was made, to the extent that the creditor makes subsequent advances without knowledge of the lease contract.

(E) When under division (B) or (C) and division (D) of this section a lessor or a lessee of accessions holds an interest that is superior to all interests in the whole, the lessor or the lessee, on default, expiration, termination, or cancellation of the lease contract by the other party but subject to the lease contract and sections 1310.01 to 1310.78 of the Revised Code, or if necessary to enforce other rights and remedies of the lessor or lessee under those sections, may remove the goods from the whole, free and clear of all interests in the whole, but the lessor or lessee shall reimburse any holder of an



interest in the whole who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury but not for any diminution in value of the whole caused by the absence of the goods removed or by any necessity for replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.