



Ohio Revised Code

Section 1310.50 Liquidation of damages - UCC 2A-504.

Effective: November 6, 1992

Legislation: House Bill 693 - 119th General Assembly

(A) Damages payable by either party for default or any other act or omission, including indemnity for loss or diminution of anticipated tax benefits or loss or damage to lessor's residual interest, may be liquidated in the lease agreement but only at an amount or by a formula that is reasonable in light of the then anticipated harm caused by the default or other act or omission.

(B) If the lease agreement provides for liquidation of damages, and if either that provision does not comply with division (A) of this section, or that provision is an exclusive or limited remedy that circumstances cause to fail of its essential purpose, remedy may be had as provided in sections 1310.01 to 1310.78 of the Revised Code.

(C) If the lessor justifiably withholds or stops delivery of goods because of the lessee's default or insolvency as provided in section 1310.71 or 1310.72 of the Revised Code, the lessee is entitled to restitution of any amount by which the sum of his payments exceeds either of the following:

(1) The amount to which the lessor is entitled by virtue of terms liquidating the lessor's damages in accordance with division (A) of this section;

(2) In the absence of those terms, twenty per cent of the then present value of the total rent the lessee was obligated to pay for the balance of the lease term or, in the case of a consumer lease, the lesser of that amount or five hundred dollars.

(D) A lessee's right to restitution under division (C) of this section is subject to offset to the extent the lessor establishes both of the following:

(1) A right to recover damages under sections 1310.01 to 1310.78 of the Revised Code other than under division (A) of this section;

(2) The amount or value of any benefits received by the lessee directly or indirectly by reason of the



AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #229469

lease contract.
