

(129th General Assembly)
(Amended House Bill Number 9)

AN ACT

To amend sections 1.01, 926.24, 926.26, 1301.01, 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 1301.09, 1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1302.01, 1302.05, 1302.23, 1302.36, 1302.42, 1302.44, 1302.47, 1302.49, 1302.50, 1302.53, 1302.63, 1302.79, 1303.01, 1304.01, 1304.20, 1304.51, 1304.53, 1304.59, 1305.02, 1306.02, 1306.15, 1307.01, 1307.02, 1307.04, 1307.06, 1307.07, 1307.08, 1307.09, 1307.10, 1307.11, 1307.12, 1307.13, 1307.14, 1307.15, 1307.16, 1307.17, 1307.18, 1307.19, 1307.20, 1307.21, 1307.22, 1307.23, 1307.24, 1307.25, 1307.26, 1307.27, 1307.28, 1307.29, 1307.30, 1307.31, 1307.32, 1307.33, 1307.34, 1307.35, 1307.36, 1307.37, 1307.38, 1307.39, 1307.40, 1308.01, 1308.02, 1309.102, 1309.203, 1309.207, 1309.208, 1309.301, 1309.310, 1309.312, 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, 1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 1310.65, 1310.72, 1310.73, 1310.74, 1311.57, 1333.23, 1743.08, 2307.39, 2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 1301.01 (1301.201), 1301.02 (1301.103), 1301.04 (1301.104), 1301.05 (1301.301), 1301.06 (1301.305), 1301.07 (1301.306), 1301.08 (1301.307), 1301.09 (1301.304), 1301.10 (1301.205), 1301.11 (1301.303), 1301.13 (1301.308), 1301.14 (1301.309), 1301.15 (1301.311), 1301.16 (1333.72), 1301.18 (1333.73), 1301.21 (1319.02), 1307.01 (1307.102), 1307.02 (1307.103), 1307.04

(1307.104), 1307.06 (1307.201), 1307.07 (1307.202), 1307.08 (1307.203), 1307.09 (1307.204), 1307.10 (1307.205), 1307.11 (1307.206), 1307.12 (1307.207), 1307.13 (1307.208), 1307.14 (1307.209), 1307.15 (1307.210), 1307.16 (1307.301), 1307.17 (1307.302), 1307.18 (1307.303), 1307.19 (1307.304), 1307.20 (1307.305), 1307.21 (1307.306), 1307.22 (1307.307), 1307.23 (1307.308), 1307.24 (1307.309), 1307.25 (1307.401), 1307.26 (1307.402), 1307.27 (1307.403), 1307.28 (1307.404), 1307.29 (1307.501), 1307.30 (1307.502), 1307.31 (1307.503), 1307.32 (1307.504), 1307.33 (1307.505), 1307.34 (1307.506), 1307.35 (1307.507), 1307.36 (1307.508), 1307.37 (1307.509), 1307.38 (1307.601), 1307.39 (1307.602), and 1307.40 (1307.603); to enact sections 1301.101, 1301.102, 1301.105, 1301.106, 1301.107, 1301.108, 1301.202, 1301.203, 1301.204, 1301.206, 1301.302, 1301.310, 1307.101, 1307.105, 1307.106, 1307.703, and 1307.704; and to repeal sections 1301.03, 1301.12, 1302.11, 1307.03, 1307.05, and 1310.14 of the Revised Code to adopt the revisions to the general provisions and documents of title portions of the Uniform Commercial Code that were recommended by the National Conference of Commissioners on Uniform State Laws and to make related changes in the Uniform Commercial Code and the Revised Code.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 1.01, 926.24, 926.26, 1301.01, 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 1301.09, 1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1302.01, 1302.05, 1302.23, 1302.36, 1302.42, 1302.44, 1302.47, 1302.49, 1302.50, 1302.53, 1302.63, 1302.79, 1303.01,

1304.01, 1304.20, 1304.51, 1304.53, 1304.59, 1305.02, 1306.02, 1306.15, 1307.01, 1307.02, 1307.04, 1307.06, 1307.07, 1307.08, 1307.09, 1307.10, 1307.11, 1307.12, 1307.13, 1307.14, 1307.15, 1307.16, 1307.17, 1307.18, 1307.19, 1307.20, 1307.21, 1307.22, 1307.23, 1307.24, 1307.25, 1307.26, 1307.27, 1307.28, 1307.29, 1307.30, 1307.31, 1307.32, 1307.33, 1307.34, 1307.35, 1307.36, 1307.37, 1307.38, 1307.39, 1307.40, 1308.01, 1308.02, 1309.102, 1309.203, 1309.207, 1309.208, 1309.301, 1309.310, 1309.312, 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, 1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 1310.65, 1310.72, 1310.73, 1310.74, 1311.57, 1333.23, 1743.08, 2307.39, 2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01 be amended; sections 1301.01 (1301.201), 1301.02 (1301.103), 1301.04 (1301.104), 1301.05 (1301.301), 1301.06 (1301.305), 1301.07 (1301.306), 1301.08 (1301.307), 1301.09 (1301.304), 1301.10 (1301.205), 1301.11 (1301.303), 1301.13 (1301.308), 1301.14 (1301.309), 1301.15 (1301.311), 1301.16 (1333.72), 1301.18 (1333.73), 1301.21 (1319.02), 1307.01 (1307.102), 1307.02 (1307.103), 1307.04 (1307.104), 1307.06 (1307.201), 1307.07 (1307.202), 1307.08 (1307.203), 1307.09 (1307.204), 1307.10 (1307.205), 1307.11 (1307.206), 1307.12 (1307.207), 1307.13 (1307.208), 1307.14 (1307.209), 1307.15 (1307.210), 1307.16 (1307.301), 1307.17 (1307.302), 1307.18 (1307.303), 1307.19 (1307.304), 1307.20 (1307.305), 1307.21 (1307.306), 1307.22 (1307.307), 1307.23 (1307.308), 1307.24 (1307.309), 1307.25 (1307.401), 1307.26 (1307.402), 1307.27 (1307.403), 1307.28 (1307.404), 1307.29 (1307.501), 1307.30 (1307.502), 1307.31 (1307.503), 1307.32 (1307.504), 1307.33 (1307.505), 1307.34 (1307.506), 1307.35 (1307.507), 1307.36 (1307.508), 1307.37 (1307.509), 1307.38 (1307.601), 1307.39 (1307.602), and 1307.40 (1307.603) be amended for the purpose of adopting new section numbers as indicated in parentheses; and sections 1301.101, 1301.102, 1301.105, 1301.106, 1301.107, 1301.108, 1301.202, 1301.203, 1301.204, 1301.206, 1301.302, 1301.310, 1307.101, 1307.105, 1307.106, 1307.703, and 1307.704 of the Revised Code be enacted to read as follows:

Sec. 1.01. All statutes of a permanent and general nature of the state as revised and consolidated into general provisions, titles, chapters, and sections shall be known and designated as the "Revised Code", for which designation "R.C." may be substituted. Except as otherwise provided in section 1301.107 of the Revised Code, Title, Chapter, and section headings and marginal General Code section numbers do not constitute any part of the law as contained in the "Revised Code".

The enactment of the Revised Code shall not be construed to affect a

right or liability accrued or incurred under any section of the General Code prior to the effective date of such enactment, or an action or proceeding for the enforcement of such right or liability. Such enactment shall not be construed to relieve any person from punishment for an act committed in violation of any section of the General Code, nor to affect an indictment or prosecution therefor. For such purposes, any such section of the General Code shall continue in full force notwithstanding its repeal for the purpose of revision.

Sec. 926.24. (A) A licensed handler, in the absence of any excuse permitted in this chapter, shall deliver an agricultural commodity upon a demand made by the holder of a receipt for the commodity or by its depositor if the demand is accompanied with:

(1) An offer to satisfy any lien arising under section ~~1307.14~~ 1307.209 of the Revised Code; and

(2) An offer to surrender the receipt with the necessary endorsement.

(B) The licensed handler is justified in delivering the agricultural commodity, subject to divisions (C), (D), and (E) of this section, to:

(1) The person who is lawfully entitled to the possession of the commodity or ~~his~~ the person's agent;

(2) The person who is ~~himself~~ entitled to the delivery by the terms of a nonnegotiable receipt issued for the commodity or who has written authority from a person so entitled, either endorsed on the receipt or written on another paper;

(3) A person in possession of a negotiable receipt by the terms of which the commodity is deliverable to ~~him~~ the person possessing the receipt, or order or bearer, or that has been endorsed to ~~him~~ the person possessing the receipt, or in blank, by the person to whom delivery was promised by the terms of the receipt or by ~~his~~ the immediate or remote endorsee of the person to whom delivery was so promised.

Upon delivery of an agricultural commodity from storage upon presentation of any receipt issued by the licensed handler, the receipt shall be surrendered to the handler, be plainly marked across its face "CANCELED" together with the date and name of the person canceling it, and be void and not put back into circulation. No commodity shall be delivered twice upon the same receipt.

(C) If the licensed handler delivers the agricultural commodity to a person who is not in fact lawfully entitled to the possession of the commodity or ~~his~~ the person's agent, the handler is liable as for a conversion to all persons that have a right of property or possession in the commodity if:

(1) ~~He~~ The handler delivered the commodity otherwise than as authorized by divisions (B)(2) and (3) of this section;

(2) ~~He~~ The handler delivered the commodity as authorized by those divisions, but prior to delivery ~~he~~ the handler had either been requested by or on behalf of the person whom ~~he~~ the handler knew to be lawfully entitled to a right of property or possession in the commodity not to make delivery or had information that the delivery would be made to a person not lawfully entitled to possession of the commodity.

(D) Except as provided in section 926.26 of the Revised Code, when a licensed handler delivers an agricultural commodity for which ~~he~~ the handler has issued a negotiable receipt, the negotiation of which would transfer the right to possession of the commodity, and fails to cancel the receipt, ~~he~~ the handler is liable to anyone who purchases for value in good faith the receipt for failure to deliver the commodity to ~~him~~ the person, whether the person acquired title to the receipt before or after the delivery of the commodity by the handler. No provision shall be inserted in a negotiable receipt that is intended to make it nonnegotiable. The provision, if inserted, shall be void.

(E) If a person other than the depositor or person claiming under ~~him~~ the depositor asserts a claim or title to the agricultural commodity and the licensed handler has information of the claim, the handler shall be excused from liability for refusing to deliver the commodity to the depositor, to the person claiming under ~~him~~ the depositor, or to the adverse claimant until the handler has had reasonable time to ascertain the validity of the adverse claim or to bring legal proceedings compelling all claimants to arrive at a settlement.

Sec. 926.26. (A) If an agricultural commodity is delivered to a licensed handler by the owner or by a person whose act in conveying the title to the purchaser in good faith for value would bind the owner, and a negotiable receipt is issued for it, the commodity cannot, while in the possession of the handler, be attached by garnishment or otherwise or be levied under an execution unless the receipt is first surrendered to the handler or its negotiation is enjoined. The handler shall in no case be compelled to deliver the actual possession of the commodity until the receipt is surrendered to ~~him~~ the handler or impounded by the court. A handler's claim for a lien that has arisen under section ~~1307.14~~ 1307.209 of the Revised Code and that has come due shall be satisfied as follows:

(1) The handler shall give a written notice to the person on whose account the commodity is held and to any other person known by the handler to claim an interest in the commodity. The notice shall be delivered

in person or by certified mail addressed to the last known place of business or residence of the person to be notified. The notice shall contain:

(a) An itemized statement of the handler's claim showing the sum due at the time of the notice and the date that it became due;

(b) A brief description of the commodity against which the lien exists;

(c) A demand that the amount of the claim as stated in the notice, and of any further claim accruing, shall be paid on or before the date specified in the notice, which shall be not fewer than ten days from the delivery of the notice if it is personally delivered or from the time when the notice reaches its destination if it is sent by mail;

(d) A statement that, unless the claim is paid within the time specified, the commodity will be advertised for sale and sold at an auction at a specified time and place.

(2) In accordance with the terms of a notice so given, a sale of the commodity at auction may be had to satisfy any valid claim of the handler under which ~~he~~ the handler has a lien on the commodity. The sale shall be held in the place where the commodity is held or, if that place is manifestly unsuitable for the purpose, at the nearest suitable place. After the time for the payment of claims that is specified in the notice to the depositor has elapsed, an advertisement of the sale, describing the commodity to be sold and stating the name of the owner or person on whose account the commodity is held and the time and place of the sale, shall be published once a week for two consecutive weeks in a newspaper of general circulation published in the place where the sale is to be held or, if no newspaper is published in that place, in a newspaper of general circulation published in the county in which the sale is to take place. No sale shall be held before fifteen days from the date of the first publication.

(B) At any time before the agricultural commodity is sold, any person claiming a right of property or possession in it may pay the licensed handler the amount necessary to satisfy ~~his~~ the handler's lien and pay the reasonable expenses and liabilities incurred in advertising and preparing for the sale up to the time of payment. The handler shall deliver the commodity to the person making payment only if ~~he~~ the person is a person entitled under this chapter to the possession of the commodity on payment of the existing charges.

(C) After the agricultural commodity has been lawfully sold to satisfy a lien arising under section ~~1307.14~~ 1307.209 of the Revised Code or has been lawfully sold or disposed of for any other reason, neither the licensed handler nor the agricultural commodity depositors fund created in section 926.16 of the Revised Code shall be liable for failure to deliver the

commodity to the depositor or owner of the commodity or to the holder of a receipt given for the commodity when it was deposited even if the receipt was negotiable. The proceeds of the sale, after deducting the amount of any lawful lien, shall be held in accordance with this section for the benefit of the owner or the holder of the receipt. The proceeds shall be considered full satisfaction of any receipt issued for the commodity so sold and of any bailment agreement between the handler and the depositor.

(D) After the licensed handler has satisfied ~~his~~ the handler's lien and after ~~his~~ the handler's expenses for advertising have been met, ~~he~~ the handler shall forward to the director of agriculture the remaining proceeds of the sale, together with such information concerning the sale and outstanding receipt or receipts as the director requires by rule. Upon the payment of the proceeds to the director, the handler shall be relieved of further responsibility for the safekeeping of them and shall be held harmless by the state for any liabilities for any claim arising out of the transfer of the proceeds to the director. The director shall deposit the proceeds into the state treasury to be held for the benefit of the person who would be rightfully entitled to possession of the commodity had it not been sold under this section.

(E) Any person claiming an interest in proceeds delivered to the director under this chapter may file a claim for them on a form prescribed by the director. The director shall consider any claim filed under this section and render a decision in writing, stating the substance of any evidence considered and the reasons for allowance or disallowance of the claim. If the claim is allowed, the director shall provide for payment of the claim from the agricultural commodity depositors fund.

(F) The remedy for enforcing a lien provided in this section does not preclude any other remedies allowed by law for the enforcement of a lien or bar the handler's right to recover any amount of ~~his~~ the handler's claim that is not paid by the proceeds of the sale held under this section.

Sec. 1301.101. Short titles [UCC 1-101]

(A) Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code may be cited as the Uniform Commercial Code.

(B) Sections 1301.101 to 1301.310 of the Revised Code may be cited as Uniform Commercial Code – General Provisions.

(C) This chapter uses the numbering system of the national conference of commissioners on uniform state laws. The digits to the right of the decimal point are sequential and not supplemental to any preceding Revised Code section.

Sec. 1301.102. Scope of Chapter 1301. [UCC 1-102]

Sections 1301.101 to 1301.310 of the Revised Code apply to a transaction to the extent that it is governed by Chapter 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code.

Sec. ~~1301.02~~ 1301.103. (A) Construction of Uniform Commercial Code to promote its purposes and policies; applicability of supplemental principles of law [UCC 1-103]

(A) Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code shall must be liberally construed and applied to promote their underlying purposes and policies:

(B) ~~Underlying purposes and policies of those chapters, which~~ are the following:

(1) To simplify, clarify, and modernize the law governing commercial transactions;

(2) To permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; and

(3) To make uniform the law among the various jurisdictions.

(C) ~~The effect of (B) Unless displaced by the particular provisions of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code may be varied by agreement, except as otherwise provided in those chapters and except that the obligations of good faith, diligence, reasonableness, and care prescribed by those chapters may not be disclaimed by agreement, but the parties by agreement may determine the standards by which the performance of those obligations is to be measured if the standards are not manifestly unreasonable.~~

(D) ~~The presence in certain, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause supplement their provisions of those chapters of the words "unless otherwise agreed" or words of similar import does not imply that the effect of other provisions may not be varied by agreement under division (C) of this section.~~

Sec. ~~1301.04~~ 1301.104. ~~Chapters~~ Construction against implied repeal [UCC 1-104]

Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if ~~that~~ such construction can reasonably be avoided.

Sec. 1301.105. Severability [UCC 1-105]

If any provision or clause of Chapter 1301., 1302., 1303., 1304., 1305.,

1307., 1308., 1309., or 1310. of the Revised Code or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code which can be given effect without the invalid provision or application, and to this end the provisions of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code are severable.

Sec. 1301.106. Use of singular and plural; gender [UCC 1-106]

In Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code, unless the statutory context otherwise requires:

(A) Words in the singular number include the plural, and those in the plural include the singular; and

(B) Words of any gender also refer to any other gender.

Sec. 1301.107. Section captions [UCC 1-107]

Section captions are part of Chapters 1301. and 1307. of the Revised Code.

Sec. 1301.108. Relation to Electronic Signatures in Global and National Commerce Act [UCC 1-108]

This chapter modifies, limits, and supersedes the federal "Electronic Signatures in Global and National Commerce Act," 15 U.S.C. section 7001 et seq., except that nothing in this chapter modifies, limits, or supersedes section 7001(c) of that act or authorizes electronic delivery of any of the notices described in section 7003(b) of that act.

~~Sec. 1301.01~~ 1301.201. As used in Chapters ~~General~~ definitions [UCC 1-201]

(A) Unless the context otherwise requires, words or phrases defined in this section, or in the additional definitions contained in Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., ~~and~~ or 1310. of the Revised Code, unless the context otherwise requires, and subject that apply to particular chapters or sections therein, have the meanings stated.

(B) Subject to ~~additional~~ definitions contained in ~~those chapters~~ Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code, that apply to particular chapters or sections therein:

~~(A)(1)~~ (1) "Action", in the sense of a judicial proceeding, includes recoupment, counterclaim, set-off, suit in equity, and any other ~~proceedings~~ proceeding in which rights are determined.

~~(B)(2)~~ (2) "Aggrieved party" means a party entitled to ~~resort to~~ pursue a remedy.

~~(C)(3)~~ (3) "Agreement", as distinguished from "contract", means the bargain of the parties in fact, as found in their language or ~~by implication~~

inferred from other circumstances, including course of performance, course of dealing, or usage of trade, ~~or course of performance~~ as provided in sections ~~1301.11 and 1302.11~~ section 1301.303 of the Revised Code. ~~Whether an agreement has legal consequences is determined by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code, if applicable; otherwise by the law of contracts.~~

~~(D)~~(4) "Bank" means ~~any~~ a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company.

~~(E)~~(5) "Bearer" means ~~the~~ a person in control of a negotiable electronic document of title or a person in possession of ~~an~~ a negotiable instrument, negotiable tangible document of title, or certificated security that is payable to bearer or ~~endorsed~~ indorsed in blank.

~~(F)~~(6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods, ~~and includes an airbill.~~ "Airbill" means ~~a document serving for air transportation as a bill of lading~~ The term does for marine or rail transportation, and includes an air consignment note or air waybill not include a warehouse receipt.

~~(G)~~(7) "Branch" includes a separately incorporated foreign branch of a bank.

~~(H)~~(8) "Burden of establishing" a fact means the burden of persuading the ~~triers~~ trier of fact that the existence of the fact is more probable than its nonexistence.

~~(I)~~(9) "Buyer in ordinary course of business" means a person ~~who~~ that buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person ~~who~~ that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ~~the~~ ordinary course of business may buy for cash, by exchange of other property, or on secured or unsecured credit, and may acquire goods or documents of title under a preexisting contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Chapter 1302. of the Revised Code may be a buyer in ordinary course of business. A "Buyer in ordinary course of business" does not include a person who that acquires goods in a transfer in bulk or as security

for or in total or partial satisfaction of a money debt ~~is not a buyer in the ordinary course of business.~~

~~(J)~~ A term or clause is "conspicuous" when it is (10) "Conspicuous", with reference to a term, means so written, displayed, or presented that a reasonable person against whom which it is to operate ought to have noticed it. A printed heading in capitals (as: NONNEGOTIABLE BILL OF LADING) is "conspicuous." Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. In a telegram, any stated term is "conspicuous." Whether a term or clause is "conspicuous" or not is for decision by the court. Conspicuous terms include the following:

(a) A heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; and

(b) Language in the body of a record or display in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks that call attention to the language.

~~(K)~~(11) "Consumer" means an individual who enters into a transaction primarily for personal, family, or household purposes.

(12) "Contract", as distinguished from "agreement", means the total legal obligation that results from the parties' agreement as affected determined by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code, and as supplemented by any other applicable rules of law laws.

~~(L)~~(13) "Creditor" includes a general creditor, a secured creditor, a lien creditor, and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent debtor's or assignor's estate.

~~(M)~~(14) "Defendant" includes a person in the position of defendant in cross-action or a counterclaim, cross-claim, or third-party claim.

~~(N)~~(15) "Delivery" with respect to instruments an electronic document of title means voluntary transfer of control and with respect to an instrument, documents a tangible document of title, or chattel paper, or certificated securities means voluntary transfer of possession.

~~(O)~~(16) "Document of title" includes means a bill of lading, dock warrant, dock receipt, warehouse receipt, or order for the delivery of goods, and any other document record (i) that in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record is entitled to receive, control, hold, and dispose of the

~~document record~~ and the goods ~~it~~ the record covers. ~~To be a document of title, a document must purport and (ii) that purports~~ to be issued by or addressed to a bailee and ~~purport~~ to cover goods in the bailee's possession ~~that~~ which are either identified or are fungible portions of an identified mass. The term includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt, and order for delivery of goods. An electronic document of title means a document of title evidenced by a record consisting of information stored in an electronic medium. A tangible document of title means a document of title evidenced by a record consisting of information that is inscribed on a tangible medium.

~~(P)(17)~~ "Fault" means a default, breach, or wrongful act, or omission, or breach.

~~(Q)(18)~~ "Fungible" ~~with respect to goods or securities~~ means goods or securities;

(a) Goods of which any unit is, by nature or usage of trade, is the equivalent of any other like unit; or

(b) Goods that are not fungible are fungible for the purposes of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code to the extent that under a particular by agreement or document unlike units are treated as equivalents equivalent.

~~(R)(19)~~ "Genuine" means free of forgery or counterfeiting.

~~(S)(20)~~ "Good faith," except as otherwise provided in Chapter 1305. of the Revised Code, means honesty in fact ~~in the conduct or transaction concerned~~ and the observance of reasonable commercial standards of fair dealing.

~~(T)(1)(21)~~ "Holder" ~~with respect to a negotiable instrument~~ means either of the following:

(a) ~~If the instrument is payable to bearer, a~~ The person who is in possession of ~~the~~ a negotiable instrument;

(b) ~~If the instrument that is payable either to bearer or to an identified person, the identified that is the person when~~ in possession ~~of the instrument.~~

~~(2)~~ "Holder" with respect to;

(b) The person in possession of a negotiable tangible document of title means the person in possession if the goods are deliverable either to bearer or to the order of the person in possession; or

(c) The person in control of a negotiable electronic document of title.

~~(U)~~ To "honor" is to pay or to accept and pay, or where a creditor so engages to purchase or discount a draft complying with the terms of the credit.

~~(V)(22)~~ "Insolvency proceedings proceeding" ~~include any~~ includes an assignment for the benefit of the creditors or other ~~proceedings proceeding~~ intended to liquidate or rehabilitate the estate of the person involved.

~~(W)~~ A person is ~~(23)~~ "insolvent Insolvent" ~~who either has~~ means:

~~(a)~~ Having generally ceased to pay the person's debts in the ordinary course of business ~~or cannot pay the person's~~ other than as a result of a bona fide dispute:

~~(b)~~ Being unable to pay debts as they become due; or is

~~(c)~~ Being insolvent within the meaning of the federal bankruptcy law.

~~(X)(24)~~ "Money" means a medium of exchange currently authorized or adopted by a domestic or foreign government ~~and~~. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more ~~nations~~ countries.

~~(Y)~~ A person has "notice" of a fact when any of the following applies:

~~(1)~~ The person has actual knowledge of it.

~~(2)~~ The person has received a notice or notification of it.

~~(3)~~ From all the facts and circumstances known to the person at the time in question, the person has reason to know that it exists.

A person "knows" or has "knowledge" of the fact when the person has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import ~~refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this section.~~

~~(Z)~~ A person "notifies" or "gives" a notice or notification to another person by taking the steps that may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it. A person "receives" a notice or notification when either of the following applies:

~~(1)~~ It comes to the person's attention.

~~(2)~~ It is duly delivered at the place of business through which the contract was made or at any other place held out by the person as the place for receipt of such communications.

~~(AA)~~ Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to the individual's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routine. Due

~~diligence does not require an individual acting for the organization to communicate information unless that communication is part of the individual's regular duties or unless the individual has reason to know of the transaction and that the transaction would be materially affected by the information.~~

~~(BB)(25) "Organization" includes~~ means a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, or association, two or more persons having a joint or common interest, or any person other legal or commercial entity than an individual.

~~(CC)(26) "Party;"~~, as ~~distinct~~ distinguished from "third party;" ~~means~~ a person ~~who~~ that has engaged in a transaction or made an agreement ~~within~~ subject to Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code.

~~(DD)(27) "Person" includes~~ means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or an organization commercial entity.

~~(EE) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced that would support a finding of its nonexistence.~~

~~(FF)(28) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain by use of either an interest rate specified by the parties if that rate is not manifestly unreasonable at the time the transaction is entered into or, if an interest rate is not so specified, a commercially reasonable rate that takes into account the facts and circumstances at the time the transaction is entered into.~~

~~(29) "Purchase" includes~~ means taking by sale, lease, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

~~(GG)(30) "Purchaser" means a person~~ who that takes by purchase.

~~(HH)(31) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~

~~(32) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.~~

~~(H)(33) "Representative" includes~~ means a person empowered to act for another, including an agent, an officer of a corporation or association, and a trustee, executor, or administrator of an estate, ~~or any other person empowered to act for another.~~

~~(J)(34) "Rights Right" includes remedies~~ remedy.

~~(KK)(1)~~(35) "Security interest" means an interest in personal property or fixtures ~~that~~ which secures payment or performance of an obligation. "Security interest" ~~also~~ includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to Chapter 1309. of the Revised Code. ~~The~~ "Security interest" does not include the special property interest of a buyer of goods on identification of those goods to a contract for sale under section 1302.42 of the Revised Code ~~is not a security interest~~, but a buyer ~~also~~ may also acquire a "security interest" by complying with Chapter 1309. of the Revised Code. Except as otherwise provided in section 1302.49 of the Revised Code, the right of a seller or lessor of goods under Chapter 1302. or 1310. of the Revised Code to retain or acquire possession of the goods is not a "security interest", but a seller or lessor ~~also~~ may also acquire a "security interest" by complying with Chapter 1309. of the Revised Code. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer under section 1302.42 of the Revised Code is limited in effect to a reservation of a "security interest. A lease-purchase agreement as defined in division (F) of section 1351.01 of the Revised Code shall never be intended as security.

~~(2)~~ Whether a transaction, ~~other than a lease-purchase agreement as defined in division (F) of section 1351.01~~ the form of the Revised Code, creates a lease ~~or creates a "security interest"~~ is determined by the facts of each case; however, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease not subject to termination by the lessee and if any of the following applies:

~~(a) The original term of the lease is equal to or greater than the remaining economic life of the goods.~~

~~(b) The lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods.~~

~~(c) The lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.~~

~~(d) The lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.~~

~~(3) A transaction does not create a security interest merely because it provides any of the following:~~

~~(a) That the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is~~

~~substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;~~

~~(b) That the lessee assumes risk of loss of the goods or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods;~~

~~(c) That the lessee has an option to renew the lease or to become the owner of the goods;~~

~~(d) That the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed;~~

~~(e) That the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.~~

~~(4) For purposes of division (KK) of this section, all of the following apply:~~

~~(a) Additional consideration is not nominal if, when the option to renew the lease is granted to the lessee, the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed or, when the option to become the owner of the goods is granted to the lessee, the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised.~~

~~(b) "Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the parties entered into the transaction.~~

~~(c) "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 is not manifestly unreasonable at the time the parties entered into the transaction. Otherwise, the discount 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 pursuant to section 1301.203 of the Revised Code.~~

~~(LL)(36) "Send" in connection with any writing, record, or notice means to:~~

~~(a) To deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for~~

and properly addressed and, in the case of an instrument, to an address specified ~~on it~~ thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. ~~The receipt of; or~~

~~(b) In any writing other way to cause to be received any record or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.~~

~~(MM)(37) "Signed" includes using any symbol executed or adopted by a party with present intention to authenticate adopt or accept a writing.~~

~~(NN)(38) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.~~

~~(39) "Surety" includes a guarantor or any other secondary obligor.~~

~~(OO) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.~~

~~(PP)(40) "Term" means that a portion of an agreement which that relates to a particular matter.~~

~~(QQ)(41) "Unauthorized" signature" means one a signature made without actual, implied, or apparent authority and. The term includes a forgery.~~

~~(RR) Except as otherwise provided with respect to negotiable instruments and bank collections under sections 1303.32, 1304.20, and 1304.21 of the Revised Code, a person gives "value" for rights if the person acquires them in any of the following manners:~~

~~(1) In return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge back is provided for in the event of difficulties in collection;~~

~~(2) As security for or in total or partial satisfaction of a preexisting claim;~~

~~(3) By accepting delivery pursuant to a preexisting contract for purchase;~~

~~(4) Generally, in return for any consideration sufficient to support a simple contract.~~

~~(SS)(42) "Warehouse receipt" means a written or electronic receipt document of title issued by a person engaged in the business of storing goods for hire.~~

~~(TT) "Written" or "writing" (43) "Writing" includes printing, typewriting, or any other intentional reduction to tangible form. "Written" has a corresponding meaning.~~

Sec. 1301.202. Notice; knowledge [UCC 1-202]

(A) Subject to division (F) of this section, a person has "notice" of a fact if the person:

(1) Has actual knowledge of it;

(2) Has received a notice or notification of it; or

(3) From all the facts and circumstances known to the person at the time in question, has reason to know that it exists.

(B) "Knowledge" means actual knowledge. "Knows" has a corresponding meaning.

(C) "Discover", "learn", or words of similar import refer to knowledge rather than to reason to know.

(D) A person "notifies" or "gives" a notice or notification to another person by taking such steps as may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it.

(E) Subject to division (F) of this section, a person "receives" a notice or notification when:

(1) It comes to that person's attention; or

(2) It is duly delivered in a form reasonable under the circumstances at the place of business through which the contract was made or at another location held out by that person as the place for receipt of such communications.

(F) Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time it is brought to the attention of the individual conducting that transaction and, in any event, from the time it would have been brought to the individual's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

Sec. 1301.203. Lease distinguished from security interest [UCC 1-203]

(A) Whether a transaction in the form of a lease creates a lease or security interest is determined by the facts of each case.

(B) A transaction in the form of a lease creates a security interest if the consideration that the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease and is not

subject to termination by the lessee, and:

(1) The original term of the lease is equal to or greater than the remaining economic life of the goods;

(2) The lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods;

(3) The lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or for nominal additional consideration upon compliance with the lease agreement; or

(4) The lessee has an option to become the owner of the goods for no additional consideration or for nominal additional consideration upon compliance with the lease agreement.

(C) A transaction in the form of a lease does not create a security interest merely because:

(1) The present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;

(2) The lessee assumes risk of loss of the goods;

(3) The lessee agrees to pay, with respect to the goods, taxes, insurance, filing, recording, or registration fees, or service or maintenance costs;

(4) The lessee has an option to renew the lease or to become the owner of the goods;

(5) The lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed; or

(6) The lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

(D) Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised. Additional consideration is not nominal if:

(1) When the option to renew the lease is granted to the lessee, the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed; or

(2) When the option to become the owner of the goods is granted to the lessee, the price is stated to be the fair market value of the goods determined at the time the option is to be performed.

(E) The "remaining economic life of the goods" and "reasonably predictable" fair market rent, fair market value, or cost of performing under

the lease agreement must be determined with reference to the facts and circumstances at the time the transaction is entered into.

Sec. 1301.204. Value [UCC 1-204]

Except as otherwise provided in Chapters 1303., 1304., and 1305. of the Revised Code, a person gives value for rights if the person acquires them:

(A) In return for a binding commitment to extend credit or for the extension of immediately available credit, whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection;

(B) As security for, or in total or partial satisfaction of, a preexisting claim;

(C) By accepting delivery under a preexisting contract for purchase; or

(D) In return for any consideration sufficient to support a simple contract.

Sec. ~~1301.10~~ 1301.205. ~~(A) Whenever~~ Reasonable time; Seasonableness [UCC 1-205]

(A) Whether a time for taking an action required by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code require any action to be taken within a ~~is~~ reasonable time, any time that is not manifestly unreasonable may be fixed by agreement.

~~(B) What is a reasonable time for taking any action depends on the nature, purpose, and circumstances of that the action.~~

~~(C)~~(B) An action is taken "seasonably" ~~when~~ if it is taken at or within the time agreed or, if no time is agreed, at or within a reasonable time.

Sec. 1301.206. Presumptions [UCC 1-206]

Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code creates a "presumption" with respect to a fact, or provides that a fact is "presumed," the trier of fact must find the existence of the fact unless and until evidence is introduced that supports a finding of its nonexistence.

Sec. ~~1301.05~~ 1301.301. (A) Territorial applicability; parties' power to choose applicable law [UCC 1-301]

(A) Except as otherwise provided in this section, when a transaction bears a reasonable relation to this state and also to another state or nation; the parties may agree that the law either of this state or of ~~the~~ such other state or nation shall govern their rights and duties. ~~In~~

(B) ~~In~~ the absence of an agreement ~~of that nature~~ effective under division (A) of this section, and except as provided in division (C) of this section, Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code apply to transactions bearing an appropriate

relation to this state.

~~(B) Where~~ (C) If one of the following provisions of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law, ~~including the conflict of laws rules,~~ so specified:

~~(1) Rights of creditors against sold goods, as provided in section~~ Section 1302.43 of the Revised Code;

~~(2) Applicability of sections 1304.01 to 1304.40~~ Sections 1310.03 and 1310.04 of the Revised Code, ~~as provided in section;~~

~~(3) Section~~ 1304.02 of the Revised Code;

~~(3) Fund transfers under sections 1304.51 to 1304.85 of the Revised Code, as provided in section~~ (4) Section 1304.85 of the Revised Code;

~~(4) Choice of law as to letters of credit under section~~ (5) Section 1305.15 of the Revised Code;

~~(5) Applicability of Chapter 1308. of the Revised Code, as provided in section~~ (6) Section 1308.05 of the Revised Code;

~~(6) Perfection provisions, including the effect of perfection or nonperfection, and the priority of security interests and agricultural liens of sections~~ (7) Sections 1309.301 to 1309.307 of the Revised Code;

~~(7) Applicability of sections 1310.01 to 1310.78 of the Revised Code, as provided in sections 1310.03 and 1310.04 of the Revised Code.~~

Sec. 1301.302. Variation by agreement [UCC 1-302]

(A) Except as otherwise provided in division (B) of this section or elsewhere in Chapter 1301., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code, the effect of provisions of Chapters 1301., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code may be varied by agreement.

(B) The obligations of good faith, diligence, reasonableness, and care prescribed by Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code may not be disclaimed by agreement. The parties, by agreement, may determine the standards by which the performance of those obligations is to be measured if those standards are not manifestly unreasonable. Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code requires an action to be taken within a reasonable time, a time that is not manifestly unreasonable may be fixed by agreement.

(C) The presence in certain provisions of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code of the phrase "unless otherwise agreed", or words of similar import, does not imply

that the effect of other provisions may not be varied by agreement under this section.

Sec. ~~1301.14~~ 1301.303. ~~(A)~~ Course of performance, course of dealing, and usage of trade [UCC 1-303]

(A) A "course of performance" is a sequence of conduct between the parties to a particular transaction that exists if:

(1) The agreement of the parties with respect to the transaction involves repeated occasions for performance by a party; and

(2) The other party, with knowledge of the nature of the performance and opportunity for objection to it, accepts the performance or acquiesces in it without objection.

(B) A "course of dealing" is a sequence of ~~previous~~ conduct concerning previous transactions between the parties to a particular transaction ~~which~~ that is fairly to be regarded as establishing a common basis of understanding for interpreting their expressions and other conduct.

~~(B)~~(C) A "usage of trade" is any practice or method of dealing having such regularity of observance in a place, vocation, or trade as to justify an expectation that it will be observed with respect to the transaction in question. The existence and scope of such a usage ~~are to~~ must be proved as facts. If it is established that such a usage is embodied in a ~~written~~ trade code or similar ~~writing~~ record, the interpretation of the ~~writing~~ record is ~~for the court~~ a question of law.

~~(C)~~(D) A course of performance or course of dealing between the parties ~~and any~~ or usage of trade in the vocation or trade in which they are engaged or of which they are or should be aware is relevant in ascertaining the meaning of the parties' agreement, may give particular meaning to specific terms of the agreement, and may supplement or qualify the terms of ~~an~~ the agreement. A usage of trade applicable in the place in which part of the performance under the agreement is to occur may be so utilized as to that part of the performance.

~~(D)~~The (E) Except as otherwise provided in division (F) of this section, the express terms of an agreement and ~~an~~ any applicable course of performance, course of dealing, or usage of trade shall must be construed ~~wherever~~ whenever reasonable as consistent with each other; ~~but when~~. If such a construction is unreasonable ~~express~~:

(1) Express terms ~~control both~~ prevail over course of performance, course of dealing, and usage of trade;

(2) Course of performance prevails over course of dealing and usage of trade; and ~~course~~

(3) Course of dealing ~~controls~~ prevails over usage of trade.

~~(E) An applicable usage of trade in the place where any part of performance is to occur shall be used in interpreting the agreement as to that part of the performance.~~

(F) Subject to section 1302.12 of the Revised Code, a course of performance is relevant to show a waiver or modification of any term inconsistent with the course of performance.

~~(G) Evidence of a relevant usage of trade offered by one party is not admissible unless and until that party has given the other party such notice as that the court finds sufficient to prevent unfair surprise to the latter other party.~~

~~Sec. 1301.09 1301.304. Every~~ Obligation of good faith [UCC 1-304]

Every contract or duty within Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code imposes an obligation of good faith in its performance ~~or~~ and enforcement.

~~Sec. 1301.06 1301.305. (A)~~ Remedies to be liberally administered [UCC 1-305]

(A) The remedies provided by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code ~~shall~~ must be liberally administered to the end that the aggrieved party may be put in as good a position as if the other party had fully performed; but neither consequential or special damages nor penal damages may be had except as specifically provided in those chapters or by other rule of law.

(B) Any right or obligation declared by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code is enforceable by action unless the provision declaring it specifies a different and limited effect.

~~Sec. 1301.07 1301.306. Any~~ Waiver or renunciation of claim or right after breach [UCC 1-306]

A claim or right arising out of an alleged breach ~~can~~ may be discharged in whole or in part without consideration by ~~a written waiver or renunciation signed and delivered by~~ agreement of the aggrieved party in an authenticated record.

~~Sec. 1301.08 1301.307. A~~ Prima facie evidence by third-party documents [UCC 1-307]

A document in due form purporting to be a bill of lading, policy or certificate of insurance, official weigher's or inspector's certificate, consular invoice, or any other document authorized or required by the contract to be issued by a third party ~~shall be~~ is prima facie evidence of its own authenticity and genuineness and of the facts stated in the document by the third party.

Sec. ~~1301.13~~ 1301.308. ~~(A)~~ Performance or acceptance under reservation of rights [UCC 1-308]

(A) A party ~~who,~~ that with explicit reservation of rights, performs or promises performance or assents to performance in a manner demanded or offered by the other party does not thereby prejudice the rights reserved. Such words as "without prejudice," "under protest," or the like are sufficient.

(B) Division (A) of this section does not apply to an accord and satisfaction.

Sec. ~~1301.14~~ 1301.309. A Option to accelerate at will [UCC 1-309]

A term providing that one party or ~~his~~ that party's successor in interest may accelerate payment or performance or require collateral or additional collateral "at will" or "when ~~he~~ the party "deems ~~himself~~ itself insecure," or in words of similar import ~~shall be construed to mean,~~ means that he shall have the party has power to do so only if ~~he~~ that party in good faith believes that the prospect of payment or performance is impaired. The burden of establishing lack of good faith is on the party against ~~whom~~ which the power has been exercised.

Sec. 1301.310. Subordinated obligations [UCC 1-310]

An obligation may be issued as subordinated to performance of another obligation of the person obligated, or a creditor may subordinate its right to performance of an obligation by agreement with either the person obligated or another creditor of the person obligated. Subordination does not create a security interest as against either the common debtor or a subordinated creditor.

Sec. ~~1301.15~~ 1301.311. ~~Transactions~~ Transactions entered into before 7-1-62 [UCC 10-102(2)]

Transactions validly entered into before July 1, 1962, and the rights, duties, and interests flowing from them remain valid after that date and may be terminated, completed, consummated, or enforced as required or permitted by any statute or other law amended or repealed by Amended Senate Bill No. 5 of the 104th General Assembly as though that repeal or amendment had not occurred.

Instruments, documents, or notices filed prior to July 1, 1962, in accordance with the law at the time of the filings shall be deemed to be filed under Chapters 1301., 1302., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code as of the original date or filing and may be continued or terminated as provided in those chapters.

Sec. 1302.01. (A) As used in sections 1302.01 to 1302.98 of the Revised Code, unless the context otherwise requires:

(1) "Buyer" means a person who buys or contracts to buy goods.

(2) "~~Good faith~~" ~~in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade~~ has the same meaning as in section 1301.201 of the Revised Code.

(3) "Receipt" of goods means taking physical possession of them.

(4) "Seller" means a person who sells or contracts to sell goods.

(5) "Merchant" means a person who deals in goods of the kind or otherwise by the person's occupation holds the person out as having knowledge or skill peculiar to the practices or goods involved in the transaction or to whom such knowledge or skill may be attributed by the person's employment of an agent or broker or other intermediary who by the agent's, broker's, or other intermediary's occupation holds the person out as having such knowledge or skill.

(6) "Financing agency" means a bank, finance company, or other person who in the ordinary course of business make advances against goods or documents of title or who by arrangement with either the seller or the buyer intervenes in ordinary course to make or collect payment due or claimed under the contract for sale, as by purchasing or paying the seller's draft or making advances against it or by merely taking it for collection whether or not documents of title accompany or are associated with the draft. "Financing agency" includes also a bank or other person who similarly intervenes between persons who are in the position of seller and buyer in respect to the goods under section 1302.81 of the Revised Code.

(7) "Between merchants" means in any transaction with respect to which both parties are chargeable with the knowledge or skill of merchants.

(8) "Goods" means all things (including specially manufactured goods) which are movable at the time of identification to the contract for sale other than the money in which the price is to be paid, investment securities, and things in action. "Goods" also includes the unborn young of animals and growing crops and other identified things attached to realty as described in section 1302.03 of the Revised Code.

Goods must be both existing and identified before any interest in them can pass. Goods which are not both existing and identified are "Future" goods. A purported present sale of future goods or of any interest therein operates as a contract to sell.

There may be a sale of a part interest in existing identified goods.

An undivided share in an identified bulk of fungible goods is sufficiently identified to be sold although the quantity of the bulk is not determined. Any agreed proportion of such a bulk or any quantity thereof agreed upon by number, weight, or other measure may to the extent of the seller's interest in the bulk be sold to the buyer who then becomes an owner

in common.

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

(10) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of sale and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article (as a machine) or a set of articles (as a suite of furniture or an assortment of sizes) or a quantity (as a bale, gross, or carload) or any other unit treated in use or in the relevant market as a single whole.

(11) "Contract" and "agreement" are limited to those relating to the present or future sale of goods. "Contract for sale" includes both a present sale of goods and a contract to sell goods at a future time. A "sale" consists in the passing of title from the seller to the buyer for a price. A "present sale" means a sale which is accomplished by the making of the contract.

(12) Goods or conduct including any part of a performance are "conforming" or conform to the contract when they are in accordance with the obligations under the contract.

(13) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the contract otherwise than for its breach. On "termination" all obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

(14) "Cancellation" occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the cancelling party also retains any remedy for breach of the whole contract or any unperformed balance.

(B) Other definitions applying to sections 1302.01 to 1302.98, ~~inclusive,~~ of the Revised Code are:

- (1) "Acceptance", as defined in section 1302.64 of the Revised Code;
- (2) "Banker's credit", as defined in section 1302.38 of the Revised Code;
- (3) "Confirmed credit", as defined in section 1302.38 of the Revised Code;
- (4) "Cover", as defined in section 1302.86 of the Revised Code;
- (5) "Entrusting", as defined in section 1302.44 of the Revised Code;
- (6) "Identification", as defined in section 1302.45 of the Revised Code;
- (7) "Installment contract", as defined in section 1302.70 of the Revised Code;
- (8) "Letter of credit", as defined in section 1302.38 of the Revised Code;

(9) "Overseas", as defined in section 1302.36 of the Revised Code;

(10) "Person in position of a seller", as defined in section 1302.81 of the Revised Code;

(11) "Sale on approval", as defined in section 1302.39 of the Revised Code;

(12) "Sale or return", as defined in section 1302.39 of the Revised Code.

(C) As used in sections 1302.01 to 1302.98 of the Revised Code, "check" and "draft" have the meaning set forth in section 1303.03 of the Revised Code, "consignee" and "consignor" have the meaning set forth in section ~~1307.01~~ 1307.102 of the Revised Code, "consumer goods" has the meaning set forth in section 1309.102 of the Revised Code, "control" has the same meaning as set forth in section 1307.106 of the Revised Code, and "dishonor" has the meaning set forth in section 1303.62 of the Revised Code.

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation set forth in sections 1301.01 to 1301.14 of the Revised Code, are applicable to sections 1302.01 to 1302.98 of the Revised Code throughout this chapter.

Sec. 1302.05. Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(A) by course of performance, course of dealing, or usage of trade as provided in section ~~1301.11~~ 1301.303 of the Revised Code ~~or by a course of performance as provided in section 1302.11 of the Revised Code;~~ and

(B) by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Sec. 1302.23. Unless otherwise agreed:

(A) Payment is due at the time and place at which the buyer is to receive the goods even though the place of shipment is the place of delivery; and

(B) if the seller is authorized to send the goods ~~he~~ the seller may ship them under reservation, and may tender the documents of title, but the buyer may inspect the goods after their arrival before payment is due unless such inspection is inconsistent with the terms of the contract as provided in section 1302.57 of the Revised Code; and

(C) if delivery is authorized and made by way of documents of title otherwise than as provided in division (B) of this section, then payment is

due regardless of where the goods are to be received (1) at the time and place at which the buyer is to receive delivery of the tangible documents regardless of where the goods are to be received or (2) at the time the buyer is to receive delivery of the electronic documents and at the seller's place of business or if none, the seller's residence; and

(D) where the seller is required or authorized to ship the goods on credit the credit period runs from the time of shipment but post-dating the invoice or delaying its dispatch will correspondingly delay the starting of the credit period.

Sec. 1302.36. (A) Where the contract contemplates overseas shipment and contains a term C.I.F. or C. & F. or F.O.B. vessel, the seller unless otherwise agreed must obtain a negotiable bill of lading stating that the goods have been loaded on board or, in the case of a term C.I.F. or C.&F., received for shipment.

(B) Where in a case within division (A) of this section, a tangible bill of lading has been issued in a set of parts, unless otherwise agreed if the documents are not to be sent from abroad, the buyer may demand tender of the full set; otherwise only one part of the bill of lading need be tendered. Even if the agreement expressly requires a full set:

(1) due tender of a single part is acceptable within the provisions of section 1302.52 of the Revised Code on cure of improper delivery; and

(2) even though the full set is demanded, if the documents are sent from abroad the person tendering an incomplete set may nevertheless require payment upon furnishing an indemnity which the buyer in good faith deems adequate.

(C) A shipment by water or by air or a contract contemplating such shipment is "overseas" insofar as by usage of trade or agreement it is subject to the commercial, financing, or shipping practices characteristic of international deep water commerce.

Sec. 1302.42. Each provision of sections 1302.01 to 1302.98 of the Revised Code with regard to the rights, obligations, and remedies of the seller, the buyer, purchasers, or other third parties applies irrespective of title to the goods except where the provision refers to that title. Insofar as situations are not covered by the other provisions of sections 1302.01 to 1302.98 of the Revised Code and matters concerning title become material, the following rules apply:

(A) Title to goods cannot pass under a contract for sale prior to their identification to the contract pursuant to section 1302.45 of the Revised Code, and unless otherwise explicitly agreed the buyer acquires by their identification a special property as limited by Chapters 1301., 1302., 1303.,

1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code. Any retention or reservation by the seller of the title (property) in goods shipped or delivered to the buyer is limited in effect to a reservation of a security interest. Subject to these provisions and to the provisions of Chapter 1309. of the Revised Code, title to goods passes from the seller to the buyer in any manner and on any conditions explicitly agreed on by the parties.

(B) Unless otherwise explicitly agreed, title passes to the buyer at the time and place at which the seller completes performance with reference to the physical delivery of the goods, despite any reservation of a security interest and even though a document of title is to be delivered at a different time or place; and in particular and despite any reservation of a security interest by the bill of lading:

(1) If the contract requires or authorized the seller to send the goods to the buyer but does not require the seller to deliver them at destination, title passes to the buyer at the time and place of shipment; but

(2) If the contract requires delivery at destination, title passes on tender there.

(C) Unless otherwise explicitly agreed where delivery is to be made without moving the goods:

(1) If the seller is to deliver a tangible document of title, title passes at the time when and the place where the seller delivers the documents- and if the seller is to deliver an electronic document of title, title passes when the seller delivers the document; or

(2) If the goods are at the time of contracting already identified and no documents of title are to be delivered, title passes at the time and place of contracting.

(D) A rejection or other refusal by the buyer to receive or retain the goods, whether or not justified, or a justified revocation of acceptance reverts title to the goods in the seller. The reversioning occurs by operation of law and is not a "sale."

Sec. 1302.44. (A) A purchaser of goods acquires all title which the transferor had or had power to transfer except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase, the purchaser has such power even though:

(1) The transferor was deceived as to the identity of the purchaser, or

(2) The delivery was in exchange for a check which is later dishonored,

or

(3) It was agreed that the transaction was to be a "cash sale", or

(4) The delivery was procured through fraud punishable as larcenous under the criminal law.

(B) Any entrusting of possession of goods to a merchant who deals in goods of that kind gives the merchant power to transfer all rights of the entruster to a buyer in ordinary course of business.

(C) "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be larcenous under the criminal law.

(D) The rights of other purchasers of goods and of lien creditors are governed by the provisions of Chapter 1309. and sections ~~1307.01~~ 1307.102 to ~~1307.40~~ 1307.603 of the Revised Code.

Sec. 1302.47. (A) Tender of delivery requires that the seller put and hold conforming goods at the buyer's disposition and give the buyer any notification reasonably necessary to enable ~~him~~ the buyer to take delivery. The manner, time, and place for tender are determined by the agreement and sections 1302.01 to 1302.98, inclusive, of the Revised Code, and in particular:

(1) tender must be at a reasonable hour, and if it is of goods they must be kept available for the period reasonably necessary to enable the buyer to take possession; but

(2) unless otherwise agreed the buyer must furnish facilities reasonably suited to the receipt of the goods.

(B) Where the case is within section 1302.48 of the Revised Code respecting shipment, tender requires that the seller comply with its provisions.

(C) Where the seller is required to deliver at a particular destination, tender requires that ~~he~~ the seller comply with division (A) of this section and also in any appropriate case tender documents as described in divisions (D) and (E) of this section.

(D) Where goods are in the possession of a bailee and are to be delivered without being moved:

(1) tender requires that the seller either tender a negotiable document of title covering such goods or procure acknowledgment by the bailee of the buyer's right to possession of the goods; but

(2) tender to the buyer of a non-negotiable document of title or of a ~~written direction to record directing~~ the bailee to deliver is sufficient tender unless the buyer seasonably objects, and except as otherwise provided in Chapter 1309. of the Revised Code, receipt by the bailee of notification of

the buyer's rights fixes those rights as against the bailee and all third persons; but risk of loss of the goods and of any failure by the bailee to honor the non-negotiable document of title or to obey the direction remains on the seller until the buyer has had a reasonable time to present the document or direction, and a refusal by the bailee to honor the document or to obey the direction defeats the tender.

(E) Where the contract requires the seller to deliver documents:

(1) ~~he~~ the seller must tender all such documents in correct form, except as provided in division (B) of section 1302.36 of the Revised Code; and

(2) tender through customary banking channels is sufficient and dishonor of a draft accompanying or associated with the documents constitutes nonacceptance or rejection.

Sec. 1302.49. (A) Where the seller has identified goods to the contract by or before shipment:

(1) ~~his~~ the seller's procurement of a negotiable bill of lading to ~~his~~ the seller's own order or otherwise reserves in ~~him~~ the seller a security interest in the goods. ~~His~~ The seller's procurement of the bill to the order of a financing agency or of the buyer indicates in addition only the seller's expectation of transferring that interest to the person named.

(2) a non-negotiable bill of lading to ~~himself~~ the seller's own self or ~~his~~ the seller's nominee reserves possession of the goods as security but except in a case of conditional delivery as provided in section 1302.51 of the Revised Code, a non-negotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession or control of the bill of lading.

(B) When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation within section 1302.48 of the Revised Code but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document of title.

Sec. 1302.50. (A) A financing agency by paying or purchasing for value a draft which relates to a shipment of goods acquires to the extent of the payment or purchase and in addition to its own rights under the draft and any document of title securing it any rights of the shipper in the goods including the right to stop delivery and the shipper's right to have the draft honored by the buyer.

(B) The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference

to any relevant document which was apparently regular ~~on its face~~.

Sec. 1302.53. (A) Where the contract requires or authorizes the seller to ship the goods by carrier:

(1) if it does not require ~~him~~ the seller to deliver them at a particular destination, the risk of loss passes to the buyer when the goods are duly delivered to the carrier even though the shipment is under reservation as provided in section 1302.49 of the Revised Code; but

(2) if it does require ~~him~~ the seller to deliver them at a particular destination and the goods are there duly tendered while in the possession of the carrier, the risk of loss passes to the buyer when the goods are there duly so tendered as to enable the buyer to take delivery.

(B) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer:

(1) on ~~his~~ the buyer's receipt of possession or control of a negotiable document of title covering the goods; or

(2) on acknowledgment by the bailee of the buyer's right to possession of the goods; or

(3) after ~~his~~ the buyer's receipt of possession or control of a non-negotiable document of title or other ~~written~~ direction to deliver in a record, as provided in division (D) (2) of section 1302.47 of the Revised Code.

(C) In any case not within division (A) or (B) of this section, the risk of loss passes to the buyer on ~~his~~ the buyer's receipt of the goods if the seller is a merchant; otherwise the risk passes to the buyer on tender of delivery.

(D) The provisions of this section are subject to contrary agreement of the parties and to the provisions of sections 1302.40 and 1302.54 of the Revised Code.

Sec. 1302.63. (A) The buyer's failure to state in connection with rejection a particular defect which is ascertainable by reasonable inspection precludes ~~him~~ the buyer from relying on the unstated defect to justify rejection or to establish breach:

(1) where the seller could have cured it if stated seasonably; or

(2) between merchants when the seller has after rejection made a request in writing for a full and final written statement of all defects on which the buyer proposes to rely.

(B) Payment against documents made without reservation of rights precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

Sec. 1302.79. (A) The seller may stop delivery of goods in the possession of a carrier or other bailee when he discovers the buyer to be

insolvent as provided in section 1302.76 of the Revised Code and may stop delivery of carload, truckload, planeload, or larger shipments of express or freight when the buyer repudiates or fails to make a payment due before delivery or if for any other reason the seller has a right to withhold or reclaim the goods.

(B) As against such buyer the seller may stop delivery until:

- (1) receipt of the goods by the buyer; or
- (2) acknowledgment to the buyer by any bailee of the goods except a carrier that the bailee holds the goods for the buyer; or
- (3) such acknowledgment to the buyer by a carrier by reshipment or as ~~warehouseman~~ a warehouse; or
- (4) negotiation to the buyer of any negotiable document of title covering the goods.

(C)(1) To stop delivery the seller must so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(2) After such notification the bailee must hold and deliver the goods according to the directions of the seller but the seller is liable to the bailee for any ensuing charges or damages.

(3) If a negotiable document of title has been issued for goods the bailee is not obliged to obey a notification to stop until surrender of possession or control of the document.

(4) A carrier who has issued a non-negotiable bill of lading is not obliged to obey a notification to stop received from a person other than the consignor.

Sec. 1303.01. (A) As used in this chapter, unless the context otherwise requires:

- (1) "Acceptor" means a drawee who has accepted a draft.
- (2) "Drawee" means a person ordered in a draft to make payment.
- (3) "Drawer" means a person who signs or is identified in a draft as a person ordering payment.
- (4) "Good faith" ~~means honesty in fact and the observance of reasonable commercial standards of fair dealing~~ has the same meaning as in section 1301.201 of the Revised Code.
- (5) "Issue" means the first delivery of an instrument by the maker or drawer to a holder or nonholder for the purpose of giving rights of the instrument to any person.
- (6) "Issuer" means a maker or drawer of an issued or unissued instrument.
- (7) "Maker" means a person who signs or is identified in a note as a person undertaking to pay.

(8) "Order" means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative but not in succession. "Order" does not mean an authorization to pay unless the person authorized to pay also is instructed to pay.

(9) "Ordinary care" in the case of a person engaged in business means observance of the reasonable commercial standards that are prevailing in the area in which the person is located with respect to the business in which the person is engaged. In the case of a bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial standards do not require the bank to examine the instrument if the failure to examine does not violate the bank's prescribed procedures, and the bank's procedures do not vary unreasonably from general banking usage not disapproved by this chapter or Chapter 1304. of the Revised Code.

(10) "Party" means a party to an instrument.

(11) "Promise" means a written undertaking to pay money that is signed by the person undertaking to pay. "Promise" does not include an acknowledgment of an obligation by the obligor unless the obligor also undertakes to pay the obligation.

(12) "Prove," with respect to a fact, means to meet the burden of establishing the fact.

(13) "Remitter" means a person who purchases an instrument from its issuer if the instrument is payable to an identified person other than the purchaser.

(B) As used in this chapter:

(1) "Acceptance" has the same meaning as in section 1303.46 of the Revised Code.

(2) "Accommodation party" and "accommodated party" have the same meanings as in section 1303.59 of the Revised Code.

(3) "Alteration" has the same meaning as in section 1303.50 of the Revised Code.

(4) "Anomalous indorsement," "blank indorsement," and "special indorsement" have the same meanings as in section 1303.25 of the Revised Code.

(5) "Certificate of deposit," "cashier's check," "check," "draft," "instrument," "negotiable instrument," "note," "teller's check," and "traveler's check" have the same meanings as in section 1303.03 of the Revised Code.

(6) "Certified check" has the same meaning as in section 1303.46 of the

Revised Code.

(7) "Consideration" and "value" have the same meanings as in section 1303.33 of the Revised Code.

(8) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.

(9) "Incomplete instrument" has the same meaning as in section 1303.11 of the Revised Code.

(10) "Indorsement" and "indorser" have the same meanings as in section 1303.24 of the Revised Code.

(11) "Negotiation" has the same meaning as in section 1303.21 of the Revised Code.

(12) "Payable at a definite time" and "payable on demand" have the same meanings as in section 1303.07 of the Revised Code.

(13) "Payable to bearer" and "payable to order" have the same meanings as in section 1303.10 of the Revised Code.

(14) "Payment" has the same meaning as in section 1303.67 of the Revised Code.

(15) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code.

(16) "Presentment" has the same meaning as in in section 1303.59 of the Revised Code.

(17) "Reacquisition" has the same meaning as in section 1303.27 of the Revised Code.

(18) "Transfer of instrument" has the same meaning as in section 1303.22 of the Revised Code.

(C) As used in this chapter, "account," "bank," "banking day," "clearing house," "collecting bank," "customer," "depository bank," "documentary draft," "intermediary bank," "item," "midnight deadline," "payor bank," and "suspends payments" have the same meanings as in section 1304.01 of the Revised Code.

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and general principles of construction and interpretation ~~set forth in sections 1301.01 to 1301.14 of the Revised Code~~ are applicable ~~to~~ throughout this chapter.

Sec. 1304.01. (A) As used in sections 1304.01 to 1304.40 of the Revised Code, unless the context requires otherwise:

(1) "Account" means any deposit or credit account with a bank, including a demand, time, savings, passbook, share draft, or similar account, other than an account evidenced by a certificate of deposit.

(2) "Afternoon" means the period of day between noon and midnight.

(3) "Banking day" means the part of a day on which a bank is open to the public for carrying on substantially all of its banking functions.

(4) "Clearing house" means an association of banks or other payors regularly clearing items.

(5) "Customer" means a person having an account with a bank or for whom a bank has agreed to collect items, including a bank that maintains an account at another bank.

(6) "Documentary draft" means a draft to be presented for acceptance or payment if specified documents, certified securities or instructions for uncertificated securities as defined in section 1308.01 of the Revised Code, or other certificates, statements, or similar documents are to be received by the drawee or other payor before acceptance or payment of the draft.

(7) "Draft" means a draft as defined in section 1303.03 of the Revised Code or an item, other than an instrument, that is an order.

(8) "Drawee" means a person ordered in a draft to make payment.

(9) "Item" means an instrument or a promise or order to pay money handled by a bank for collection or payment. "Item" does not include a payment order governed by sections 1304.51 to 1304.85 of the Revised Code, a credit slip, or a debit card slip.

(10) "Midnight deadline," with respect to a bank, is midnight on its next banking day following the banking day on which it receives the relevant item or notice or from which the time for taking action commences to run, whichever is later.

(11) "Settle" means to pay in cash, by clearing house settlement, in a charge or credit or by remittance, or otherwise as agreed. A settlement may be either provisional or final.

(12) "Suspends payments" with respect to a bank means that it has been closed by order of the supervisory authorities, that a public officer has been appointed to take it over, or that it ceases or refuses to make payments in the ordinary course of business.

(B) As used in sections 1304.01 to 1304.40 of the Revised Code:

(1) "Bank" means a person engaged in the business of banking, including a savings bank, a savings and loan association, a credit union, or a trust company.

(2) "Depository bank" means the first bank to take an item even though it is also the payor bank, unless the item is presented for immediate payment over the counter.

(3) "Payor bank" means a bank that is a drawee of a draft.

(4) "Intermediary bank" means a bank to which an item is transferred in course of collection except the depository or payor bank.

(5) "Collecting bank" means a bank handling an item for collection except the payor bank.

(6) "Presenting bank" means a bank presenting an item except a payor bank.

(C) As used in sections 1304.01 to 1304.40 of the Revised Code:

(1) "Acceptance" and "certified check" have the same meanings as in section 1303.46 of the Revised Code.

(2) "Alteration" has the same meaning as in section 1303.50 of the Revised Code.

(3) "Cashier's check," "certificate of deposit," "check," "instrument," and "teller's check" have the same meanings as in section 1303.03 of the Revised Code.

(4) "Good faith," "order Control" has the same meaning as in section 1307.106 of the Revised Code.

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

(6) "Order," "ordinary care," "promise," and "prove" have the same meanings as in section 1303.01 of the Revised Code.

~~(5)~~(7) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.

~~(6)~~(8) "Notice of dishonor" has the same meaning as in section 1303.63 of the Revised Code.

~~(7)~~(9) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code.

~~(8)~~(10) "Presentment" has the same meaning as in section 1303.61 of the Revised Code.

~~(9)~~(11) "Unauthorized signature" has the same meaning as in section 1303.43 of the Revised Code.

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation in sections 1301.01 to 1301.14 of the Revised Code are applicable to throughout sections 1304.01 to 1304.40 of the Revised Code.

Sec. 1304.20. (A) A collecting bank has a security interest in an item and any accompanying documents or the proceeds of the item or documents in any of the following manners:

(1) In the case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

(2) In the case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon or there is a right of charge-back;

(3) If it makes an advance on or against the item.

(B) If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents, or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.

(C) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or possession or control of the accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to Chapter 1309. of the Revised Code, except for all of the following:

(1) No security agreement is necessary to make the security interest enforceable under division (B)(3)(a) of section 1309.203 of the Revised Code.

(2) No filing is required to perfect the security interest.

(3) The security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

Sec. 1304.51. (A) As used in sections 1304.51 to 1304.85 of the Revised Code:

(1) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source of payment of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account.

(2) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of sections 1304.51 to 1304.85 of the Revised Code.

(3) "Beneficiary" means the person to be paid by the beneficiary's bank.

(4) "Beneficiary's bank" means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account.

(5) "Customer" means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive payment orders.

(6) "Funds transfer" means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the

beneficiary of the order. "Funds transfer" includes any payment order issued by the originator's bank or an intermediary bank intended to carry out the originator's payment order. A funds transfer is completed by acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's payment order.

(7) "Funds-transfer business day" of a receiving bank means the part of a day during which the receiving bank is open for the receipt, processing, and transmittal of payment orders and cancellations and amendments of payment orders.

(8) "Funds-transfer system" means a wire transfer network, automated clearing house, or other communication system of a clearing house or other association of banks through which a payment order by a bank may be transmitted to the bank to which the order is addressed.

(9) "Good faith" ~~means honesty in fact and the observance of reasonable commercial standards of fair dealing~~ has the same meaning as in section 1301.201 of the Revised Code.

(10) "Intermediary bank" means a receiving bank other than the originator's bank or the beneficiary's bank.

(11) "Originator" means the sender of the first payment order in a funds transfer.

(12) "Originator's bank" means the receiving bank to which the payment order of the originator is issued if the originator is not a bank, or the originator if the originator is a bank.

(13)(a) "Payment order" means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if all of the following apply:

(i) The instruction does not state a condition to payment to the beneficiary other than time of payment.

(ii) The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender.

(iii) The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

(b) If the instruction complying with division (A)(13)(a) of this section is to make more than one payment to a beneficiary, the instruction is a separate payment order with respect to each payment.

(c) A payment order is issued when it is sent to the receiving bank.

(14) "Prove," with respect to a fact, means to meet the burden of establishing the fact.

(15) "Receiving bank" means the bank to which the sender's instruction is addressed.

(16) "Sender" means the person giving the instruction to the receiving bank.

(B) Other definitions applying to sections 1304.51 to 1304.85 of the Revised Code are:

(1) "Acceptance" as defined in section 1304.64 of the Revised Code;

(2) "Executed" as defined in section 1304.68 of the Revised Code;

(3) "Execution date" as defined in section 1304.68 of the Revised Code;

(4) "Funds-transfer system rule" as defined in section 1304.79 of the Revised Code;

(5) "Payment by beneficiary's bank to beneficiary" as defined in section 1304.77 of the Revised Code;

(6) "Payment by originator to beneficiary" as defined in section 1304.78 of the Revised Code;

(7) "Payment by sender to receiving bank" as defined in section 1304.75 of the Revised Code;

(8) "Payment date" as defined in section 1304.73 of the Revised Code;

(9) "Security procedure" as defined in section 1304.56 of the Revised Code.

(C) As used in sections 1304.51 to 1304.85 of the Revised Code, "clearing house," "item," and "suspends payments" have the same meanings as in section 1304.01 of the Revised Code.

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation set forth in sections 1301.01 to 1301.14 of the Revised Code are applicable to throughout sections 1304.51 to 1304.85 of the Revised Code.

Sec. 1304.53. (A) The time of receipt of a payment order or communication canceling or amending a payment order is determined by the rules applicable to receipt of a notice as provided in ~~division (AA) of section 1301.01~~ 1301.202 of the Revised Code. A receiving bank may fix a cut-off time or times on a funds-transfer business day for the receipt and processing of payment orders and communications canceling or amending payment orders. Different cut-off times may apply to payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cut-off time may apply to senders generally or different cut-off times may apply to different senders or categories of payment orders. If a payment order or communication canceling or amending a payment order is received after the close of a funds-transfer business day or after the appropriate cut-off time on a funds-transfer business day, the receiving bank

may treat the payment order or communication as received at the opening of the next funds-transfer business day.

(B) If sections 1304.51 to 1304.85 of the Revised Code refer to an execution date or payment date or state a day on which a receiving bank is required to take action, and the date or day does not fall on a funds-transfer business day, the next day that is a funds-transfer business day is treated as the date or day stated, unless the contrary is stated in these sections.

Sec. 1304.59. (A) If a receiving bank accepts a payment order issued in the name of its customer as sender which is not authorized and not effective as the order of the customer under section 1304.57 of the Revised Code, or not enforceable, in whole or in part, against the customer under section 1304.58 of the Revised Code, the bank shall refund any payment of the payment order received from the customer to the extent the bank is not entitled to enforce payment and shall pay interest on the refundable amount calculated from the date the bank received payment to the date of the refund. The customer is not entitled to interest from the bank on the amount to be refunded if the customer fails to exercise ordinary care to determine that the order was not authorized by the customer and to notify the bank of the relevant facts within a reasonable time not exceeding ninety days after the date the customer received notification from the bank that the order was accepted or that the customer's account was debited with respect to the order. The bank is not entitled to any recovery from the customer on account of a failure by the customer to give notification as stated in this section.

(B) Reasonable time under division (A) of this section may be fixed by agreement as provided in division ~~(A)~~(B) of section ~~1301.10~~ 1301.302 of the Revised Code, but the obligation of a receiving bank to refund payment as provided in division (A) of this section may not otherwise be varied by agreement.

Sec. 1305.02. (A) This chapter applies to letters of credit and to certain rights and obligations arising out of transactions involving letters of credit.

(B) The statement of a rule in this chapter does not by itself require, imply, or negate application of the same or a different rule to a situation not provided for, or to a person not specified, in this chapter.

(C) With the exception of this division, divisions (A) and (D) of this section, divisions (A)(9) and (10) of section 1305.01, division (D) of section 1305.05, and division (D) of section 1305.13, and except to the extent prohibited in ~~division (C)~~ of section ~~1301.02~~ 1301.302 and division (D) of section 1305.16 of the Revised Code, the effect of this chapter may be varied by agreement or by a provision stated or incorporated by reference in an undertaking. A term in an agreement or undertaking generally excusing

liability or generally limiting remedies for failure to perform obligations is not sufficient to vary obligations prescribed by this chapter.

(D) Rights and obligations of an issuer to a beneficiary or a nominated person under a letter of credit are independent of the existence, performance, or nonperformance of a contract or arrangement out of which the letter of credit arises or which underlies it, including contracts or arrangements between the issuer and the applicant and between the applicant and the beneficiary.

Sec. 1306.02. (A) Except as provided in division (B) of this section, sections 1306.01 to 1306.23 of the Revised Code apply to electronic records and electronic signatures relating to a transaction.

(B) Sections 1306.01 to 1306.23 of the Revised Code do not apply to a transaction to the extent it is governed by any of the following:

(1) A law governing the creation and execution of wills, codicils, or testamentary trusts;

(2) Chapter 1301., except ~~sections 1301.07 and 1301.12~~ section 1301.306, and Chapters 1303., 1304., 1305., 1307., 1308., and 1309. of the Revised Code.

Sec. 1306.15. (A) As used in this section, "transferable record" means an electronic record that satisfies both of the following:

(1) The transferable record would be a note under Chapter 1303. or a document under Chapter 1307. of the Revised Code, if the electronic record were in writing.

(2) The issuer of the electronic record expressly has agreed that it is a transferable record.

(B) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

(C) A system satisfies division (B) of this section, and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that satisfies all of the following:

(1) A single authoritative copy of the transferable record exists that is unique, identifiable, and, except as provided in divisions (C)(4) to (6) of this section, unalterable.

(2) The authoritative copy identifies the person asserting control as either of the following:

(a) The person to which the transferable record was issued;

(b) If the authoritative copy indicates that the transferable record has

been transferred, the person to which the transferable record most recently was transferred.

(3) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian.

(4) Copies or revisions that add or change an identified assignee of the authoritative copy may be made only with the consent of the person asserting control.

(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy.

(6) Any revision of the authoritative copy is readily identifiable as authorized or unauthorized.

(D)(1) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section ~~1301.01~~ 1301.201 of the Revised Code, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the uniform commercial code. If the applicable statutory requirements under section 1303.32, ~~1307.29~~ 1307.501, or 1309.27 of the Revised Code are satisfied, these rights and defenses include the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively.

(2) Delivery, possession, and indorsement are not required to obtain or exercise any of the rights under division (D)(1) of this section.

(E) Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the uniform commercial code.

(F)(1) If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record.

(2) Proof required by division (F)(1) of this section may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

Sec. 1307.101. Short title [UCC 7-101]

(A) This chapter may be cited as "Uniform Commercial Code, documents of title."

(B) This chapter uses the numbering system of the national conference of commissioners on uniform state laws. The digits to the right of the decimal point are sequential and not supplemental to any preceding Revised Code section.

Sec. ~~1307.01~~ 1307.102. (A) Definitions and index of definitions [UCC

7-102]

~~(A)~~ As used in sections ~~1307.01~~ 1307.101 to ~~1307.40~~ 1307.603 of the Revised Code, unless the context otherwise requires:

(1) "Bailee" means ~~the~~ a person who ~~that~~ by a warehouse receipt, bill of lading, or other document of the title acknowledges possession of goods and contracts to deliver them.

(2) "Carrier" means a person that issues a bill of lading.

(3) "Consignee" means ~~the~~ a person named in a bill of lading to whom ~~which~~ or to whose order the bill promises delivery.

~~(3)~~(4) "Consignor" means ~~the~~ a person named in a bill of lading as the person from ~~whom~~ which the goods have been received for shipment.

~~(4)~~(5) "Delivery order" means a written record that contains an order to deliver goods directed to a warehouseman, warehouse, carrier, or other person who ~~that~~ in the ordinary course of business issues warehouse receipts or bills of lading.

~~(5)~~ "Document" means ~~document of title as defined in division (O) of section 1301.01 of the Revised Code.~~

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

(7) "Goods" means all things ~~which~~ that are treated as ~~removable~~ movable for the purposes of a contract of storage or transportation.

~~(7)~~(8) "Issuer" means a bailee ~~who~~ that issues a document ~~except that of title or, in relation to the case of an unaccepted delivery order it means,~~ the person ~~who~~ that orders the possessor of goods to deliver. ~~Issuer~~ The term includes ~~any~~ a person for whom ~~which~~ an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, ~~notwithstanding that even if the issuer received no~~ did not receive any goods or that, the goods were misdescribed, or ~~that~~ in any other respect the agent or employee violated ~~his~~ the issuer's instructions.

~~(8)~~(9) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

(10) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(11) "Sign" means, with present intent to authenticate or adopt a record:

(a) To execute or adopt a tangible symbol; or

(b) To attach to or logically associate with the record an electronic sound, symbol, or process.

(12) "Shipper" means a person that enters into a contract of transportation with a carrier.

(13) "Warehouseman Warehouse" is means a person engaged in the business of storing of goods for hire.

~~(B) Other definitions applying to sections 1307.01 to 1307.40 of the Revised Code are:~~

~~(1) "Duly negotiate, as defined in section 1307.29 of the Revised Code;~~

~~(2) "Person entitled under the document," as defined in section 1307.27 of the Revised Code.~~

~~(C)~~ As used in sections ~~1307.01~~ 1307.101 to ~~1307.40~~ 1307.603 of the Revised Code, "contract for sale" and "receipt" of goods have the meaning set forth in section 1302.01 of the Revised Code, and "~~overseas lessee in the ordinary course of business~~" has the meaning set forth in section ~~1302.36~~ 1310.01 of the Revised Code.

~~(D)~~ The terms (C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation contained in sections 1301.01 to 1301.14 of the Revised Code are applicable to sections 1307.01 to 1307.40 of the Revised Code throughout this chapter.

~~Sec. 1307.02~~ 1307.103. Sections 1307.01 Relation of Chapter 1307. of the Revised Code to treaty or statute [UCC 7-103]

(A) Sections 1307.101 to 1307.603 of the Revised Code are subject to any treaty or statute of the United States or regulatory statute of this state to the extent the treaty, statute, or regulatory statute is applicable.

(B) Sections 1307.101 to 1307.40, inclusive, 1307.603 of the Revised Code do not repeal or modify or repeal any laws law prescribing the form or contents content of documents a document of title or the services or facilities to be afforded by bailees a bailee, or otherwise regulating bailees' businesses a bailee's business in respects not specifically dealt with herein; but the fact that treated in those sections. However, violation of such laws are violated a law does not affect the status of a document of title which that otherwise complies with is within the definition of a document of title set forth in division (O) of section 1301.01 of the Revised Code.

(C) Sections 1307.101 to 1307.603 of the Revised Code modify, limit, and supersede the federal "Electronic Signatures in Global and National Commerce Act," 15 U.S.C. section 7001, et seq., but do not modify, limit, or supersede section 101(c) of that act (15 U.S.C. section 7001(c)) or authorize electronic delivery of any of the notices described in section 103(b) of that act (15 U.S.C. section 7003(b)).

(D) To the extent there is a conflict between Chapters 1306. and 1307. of the Revised Code, Chapter 1307. of the Revised Code governs.

~~Sec. 1307.04~~ 1307.104. ~~(A) A warehouse receipt, bill of lading, or other~~
Negotiable and nonnegotiable document of title [UCC 7-104]

(A) Except as otherwise provided in division (C) of this section, a document of title is negotiable:

~~(1) if by its terms the goods are to be delivered to bearer or to the order of a named person; or~~

~~(2) where recognized in overseas trade, if it runs to a named person or assigns.~~

~~(B) Any other~~ A document of title other than one described in division (A) of this section is non-negotiable nonnegotiable. A bill of lading ~~in which it is stated~~ that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against ~~a written~~ an order in a record signed by the same or another named person.

(C) A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

Sec. 1307.105. Reissuance in alternative medium [UCC 7-105]

(A) Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if:

(1) The person entitled under the electronic document surrenders control of the document to the issuer; and

(2) The tangible document when issued contains a statement that it is issued in substitution for the electronic document.

(B) Upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with division (A) of this section:

(1) The electronic document ceases to have any effect or validity; and

(2) The person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document when the warrantor surrendered control of the electronic document to the issuer.

(C) Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if:

(1) The person entitled under the tangible document surrenders possession of the document to the issuer; and

(2) The electronic document when issued contains a statement that it is issued in substitution for the tangible document.

(D) Upon issuance of an electronic document of title in substitution for

a tangible document of title in accordance with division (C) of this section:

(1) The tangible document ceases to have any effect or validity; and

(2) The person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

Sec. 1307.106. Control of electronic document of title [UCC 7-106]

(A) A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

(B) A system satisfies division (A) of this section, and a person is deemed to have control of an electronic document of title, if the document is created, stored, and assigned in such a manner that:

(1) A single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in divisions (B)(4), (5), and (6) of this section, unalterable;

(2) The authoritative copy identifies the person asserting control as:

(a) The person to which the document was issued; or

(b) If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred.

(3) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(4) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

Sec. 1307.06 1307.201. (A) Person that may issue a warehouse receipt; storage under bond [UCC 7-201]

(A) A warehouse receipt may be issued by any ~~warehouseman~~ warehouse.

(B) ~~Where~~ If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods ~~has like effect as is deemed to be~~ a warehouse receipt even ~~though~~ if issued by a person ~~who~~ that is the owner of the goods and is not a ~~warehouseman~~ warehouse.

Sec. ~~1307.07~~ 1307.202. (A) Form of warehouse receipt; effect of omission [UCC 7-202]

(A) A warehouse receipt need not be in any particular form.

(B) Unless a warehouse receipt ~~embodies within its written or printed terms provides for~~ each of the following, the ~~warehouse~~ warehouse is liable for damages caused ~~by the omission~~ to a person injured by ~~the~~ its omission:

(1) ~~The~~ A statement of the location of the warehouse facility where the goods are stored;

(2) The date of issue of the receipt;

(3) ~~The consecutive number~~ unique identification code of the receipt;

(4) A statement whether the goods received will be delivered to the bearer, to a ~~specified~~ named person, or to a named person or its order;

(5) The rate of storage and handling charges, ~~except that, if~~ unless goods are stored under a field warehousing arrangement, in which case a statement of that fact is sufficient on a ~~non-negotiable~~ nonnegotiable receipt;

(6) A description of the goods or ~~of~~ the packages containing them;

(7) The signature of the ~~warehouse~~ warehouse, ~~which may be made by the warehouse's authorized~~ or its agent;

(8) If the receipt is issued for goods ~~of which~~ that the ~~warehouse~~ warehouse is ~~owner~~ owns, either solely ~~or~~, jointly, or in common with others, a statement of the fact of that ownership; and

(9) A statement of the amount of advances made and of liabilities incurred for which the ~~warehouse~~ warehouse claims a lien or security interest, ~~pursuant to section 1307.14 of the Revised Code. If~~ unless the precise amount of the advances made or ~~of the~~ liabilities incurred ~~is~~, at the time of the issue of the receipt, is unknown to the ~~warehouse~~ warehouse or to ~~the warehouse's~~ its agent ~~who issues it~~ that issued the receipt, in which case a statement of the fact that advances have been made or liabilities incurred and the purpose of the advances or liabilities is sufficient.

(C) A ~~warehouse~~ warehouse may insert in ~~the warehouse's~~ its receipt any ~~other~~ terms that are not contrary to ~~the provisions of~~ Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code and do not impair ~~the warehouse's~~ its obligation of delivery, ~~as set forth in~~ under section ~~1307.27~~ 1307.403 of the Revised Code, or ~~the warehouse's~~ its duty of care, ~~as set forth in~~ under section ~~1307.09~~ 1307.204 of the Revised Code. Any contrary ~~provisions shall be~~ provision is ineffective.

Sec. ~~1307.08~~ 1307.203. A Liability for nonreceipt or misdescription [UCC 7-203]

A party to or purchaser for value in good faith of a document of title,

other than a bill of lading ~~relying in either case, that relies~~ upon the description ~~therein~~ of the goods in the document may recover from the issuer damages caused by the ~~non-receipt~~ nonreceipt or misdescription of the goods, except to the extent that ~~the~~:

(A) ~~The~~ document conspicuously indicates that the issuer does not know whether ~~any~~ all or part or all of the goods in fact were received or conform to the description, such as where a case in which the description is in terms of marks or labels or kind, quantity, or condition, or the receipt or description is qualified by "contents, condition, and quality unknown", "said to contain", or ~~the like~~ words of similar import, if ~~such~~ the indication ~~be~~ is true; ~~or the~~

(B) ~~The~~ party or purchaser otherwise has notice of the nonreceipt or misdescription.

Sec. ~~4307.09~~ 1307.204. (A) Duty of care; contractual limitation of warehouse's liability [UCC 7-204]

(A) A ~~warehouseman~~ warehouse is liable for damages for loss of or injury to the goods caused by ~~his~~ its failure to exercise ~~such~~ care ~~in~~ with regard to ~~them as~~ the goods that a reasonably careful ~~man~~ person would exercise under ~~like~~ similar circumstances ~~but unless~~. Unless otherwise agreed ~~he~~, the warehouse is not liable for damages ~~which~~ that could not have been avoided by the exercise of ~~such~~ that care.

(B) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage; ~~and setting forth a specific liability per article or item, or value per unit of weight, beyond which the warehouseman shall~~ warehouse is not be liable; provided, that such liability may on written. Such a limitation is not effective with respect to the warehouse's liability for conversion to its own use. On request of the bailor in a record at the time of signing such the storage agreement or within a reasonable time after receipt of the warehouse receipt, the warehouse's liability may be increased on part or all of the goods thereunder, in which covered by the storage agreement or the warehouse receipt. In this event, increased rates may be charged based on such an increased valuation, but that no such increase shall be permitted contrary to a lawful limitation of liability contained in the warehouseman's tariff, if any. No such limitation is effective with respect to the warehouseman's liability for conversion to his own use of the goods.

(C) Reasonable provisions as to the time and manner of presenting claims and ~~instituting~~ commencing actions based on the bailment may be included in the warehouse receipt or ~~tariff~~ storage agreement.

Sec. ~~4307.10~~ 1307.205. A Title under warehouse receipt defeated in

certain cases [UCC 7-205]

A buyer in the ordinary course of business of fungible goods sold and delivered by a ~~warehouseman who~~ warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even ~~though it~~ if the receipt is negotiable and has been duly negotiated.

Sec. ~~1307.14~~ 1307.206. (A) Termination of storage at warehouse's option [UCC 7-206]

(A) A ~~warehouseman may on notifying~~ warehouse, by giving notice to the person on whose account the goods are held and any other ~~persons~~ person known to claim an interest in the goods, may require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document, of title or, if ~~no~~ a period is not fixed, within a stated period not less than thirty days after the ~~notification~~ warehouse gives notice. If the goods are not removed before the date specified in the ~~notification~~ notice, the ~~warehouseman~~ warehouse may sell them ~~in accordance with the provisions of~~ pursuant to section ~~1307.15~~ 1307.210 of the Revised Code ~~on enforcement of a warehouseman's lien~~.

(B) If a ~~warehouseman~~ warehouse in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of ~~his~~ its lien within the time prescribed in division (A) of this section ~~for notification, advertisement, and sale and section 1307.210 of the Revised Code~~, the ~~warehouseman~~ warehouse may specify in the ~~notification~~ notice given under division (A) of this section any reasonable shorter time for removal of the goods and ~~in case, if~~ the goods are not removed, may sell them at public sale held not less than one week after a single advertisement or posting.

(C) If, as a result of a quality or condition of the goods of which the ~~warehouseman had no~~ warehouse did not have notice at the time of deposit, the goods are a hazard to other property ~~or to~~, the warehouse facilities, or ~~to~~ other persons, the ~~warehouseman~~ warehouse may sell the goods at public or private sale without advertisement or posting on reasonable notification to all persons known to claim an interest in the goods. If the ~~warehouseman~~ warehouse, after a reasonable effort, is unable to sell the goods ~~he, it~~ may dispose of them in any lawful manner and ~~shall~~ does not incur ~~no~~ liability by reason of ~~such~~ that disposition.

(D) ~~The warehouseman must~~ A warehouse shall deliver the goods to any person entitled to them under sections ~~1307.01~~ 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code; upon due demand made at any time ~~prior to~~ before sale or other disposition under this section.

(E) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien from the

proceeds of any sale or disposition under this section but ~~must~~ shall hold the balance for delivery on the demand of any person to ~~whom he~~ which the warehouse would have been bound to deliver the goods.

Sec. ~~1307.12~~ 1307.207. ~~(A)~~ Goods must be kept separate; fungible goods [UCC 7-207]

~~(A)~~ Unless the warehouse receipt provides otherwise provides, a warehouseman must warehouse shall keep separate the goods covered by each receipt so as to permit at all times identification and delivery of those goods ~~except that. However,~~ different lots of fungible goods may be commingled.

~~(B) Fungible~~ If different lots of fungible goods so are commingled, the goods are owned in common by the persons entitled thereto and the ~~warehouseman~~ warehouse is severally liable to each owner for that owner's share. ~~Where~~ If, because of overissue, a mass of fungible goods is insufficient to meet all the receipts ~~which the warehouseman~~ warehouse has issued against it, the persons entitled include all holders to ~~whom~~ which overissued receipts have been duly negotiated.

Sec. ~~1307.13~~ 1307.208. ~~Where~~ Altered warehouse receipts [UCC 7-208]

If a blank in a negotiable tangible warehouse receipt has been filled in without authority, a good-faith purchaser for value and without notice of the want lack of authority may treat the insertion as authorized. Any other unauthorized alteration leaves any tangible or electronic warehouse receipt enforceable against the issuer according to its original tenor.

Sec. ~~1307.14~~ 1307.209. ~~(A)~~ Lien of warehouse [UCC 7-209]

~~(A)~~ A warehouse warehouse has a lien against the bailor on the goods covered by a warehouse receipt or storage agreement or on the proceeds thereof in ~~the warehouse's~~ its possession for charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for ~~like~~ similar charges or expenses in relation to other goods whenever deposited and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the ~~warehouse warehouse~~ warehouse also has a lien against the ~~person~~ goods covered by the warehouse receipt or storage agreement or on the proceeds thereof in its possession for ~~such~~ those charges and expenses, whether or not the other goods have been delivered by the ~~warehouse warehouse~~ warehouse. ~~But~~ However, as against a person to ~~whom~~ which a negotiable warehouse receipt is duly negotiated, a ~~warehouse's~~ warehouse's lien is limited to charges in an

amount or at a rate specified ~~on~~ in the warehouse receipt or, if no charges are so specified ~~then~~, to a reasonable charge for storage of the specific goods covered by the receipt subsequent to the date of the receipt.

(B) ~~The warehouse~~ A warehouse may also reserve a security interest against the bailor for a the maximum amount specified on the receipt for charges other than those specified in division (A) of this section, such as for money advanced and interest. ~~Such a~~ The security interest is governed by Chapter 1309. of the Revised Code.

(C) A ~~warehouse's~~ warehouse's lien for charges and expenses under division (A) of this section; or a security interest under division (B) of this section is also effective against any person ~~who~~ that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good faith purchaser for value would have been valid ~~but~~. However, the lien or security interest is not effective against a person as to whom the that before issuance of a document confers no right of title had a legal interest or a perfected security interest in the goods covered by it and that did not:

(1) Deliver or entrust the goods or any document covering the goods to the bailor or the bailor's nominee with:

(a) Actual or apparent authority to ship, store, or sell;

(b) Power to obtain delivery under section ~~1307.34~~ 1307.403 of the Revised Code; or

(c) Power of disposition under section 1302.44, 1309.320, division (B) of section 1310.32, or division (B) of section 1310.33 of the Revised Code, or other statute or rule of law; or

(2) Acquiesce in the procurement by the bailor or its nominee of any document.

(D) A warehouse's lien on household goods for charges and expenses in relation to the goods under division (A) of this section is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this division, "household goods" means furniture, furnishings, or personal effects used by the depositor in a dwelling.

(E) A ~~warehouse~~ warehouse loses the ~~warehouse's~~ its lien on any goods ~~which the warehouse~~ that it voluntarily delivers or ~~which the warehouse~~ unjustifiably refuses to deliver.

Sec. ~~1307.15~~ 1307.210. (A) Enforcement of warehouse's lien [UCC 7-210]

(A) Except as otherwise provided in division (B) of this section, a ~~warehouseman's~~ warehouse's lien may be enforced by public or private sale of the goods, in ~~bulk~~ bulk or in ~~parcels~~ packages, at any time or place and on any terms ~~which~~ that are commercially reasonable, after notifying all

persons known to claim an interest in the goods. ~~Such~~ The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a ~~different~~ different method different from that selected by the ~~warehouseman~~ warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. ~~If the warehouseman either~~ The warehouse sells in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefor, ~~or if he~~ sells at the price current in ~~such that~~ such that market at the time of ~~his~~ the sale, or ~~if he has~~ otherwise ~~sold~~ sells in conformity with commercially reasonable practices among dealers in the type of goods sold, ~~he has sold in a commercially reasonable manner~~. A sale of more goods than apparently necessary to be offered to ~~insure~~ ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(B) A ~~warehouseman's~~ warehouse may enforce its lien on goods, other than goods stored by a merchant in the course of ~~his~~ its business ~~may be enforced,~~ only as follows if the following requirements are satisfied:

(1) All persons known to claim an interest in the goods must be notified.

(2) ~~The notification must be delivered in person or sent by registered letter to the last known address of any person to be notified.~~

(3) The notification must include an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than ten days after receipt of the notification, and a conspicuous statement that unless the claim is paid within that time the goods will be advertised for sale and sold by auction at a specified time and place.

(4)(3) The sale must conform to the terms of the notification.

(5)(4) The sale must be held at the nearest suitable place to ~~that~~ where the goods are held or stored.

(6)(5) After the expiration of the time given in the notification, an advertisement of the sale must be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The advertisement must include a description of the goods, the name of the person on whose account they are being held, and the time and place of the sale. The sale must take place at least fifteen days after the first publication. If there is no newspaper of general circulation where the sale is to be held, the advertisement must be posted at least ten days before the sale in not ~~less~~ fewer than six conspicuous places in the neighborhood of the proposed sale.

(C) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred ~~under~~ in complying with this section. In that event, the goods ~~must~~ may not be sold; but must be retained by the ~~warehouseman~~ warehouse subject to the terms of the receipt and sections ~~1307.01~~ 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code.

(D) ~~The warehouseman~~ A warehouse may buy at any public sale held pursuant to this section.

(E) A purchaser in good faith of goods sold to enforce a ~~warehouseman's~~ warehouse's lien takes the goods free of any rights of persons against ~~whom~~ which the lien was valid, despite the warehouse's noncompliance ~~by the warehouseman~~ with ~~the requirements~~ of this section.

(F) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien from the proceeds of any sale pursuant to this section but ~~must~~ shall hold the balance, if any, for delivery on demand to any person to ~~whom~~ he which the warehouse would have been bound to deliver the goods.

(G) The rights provided by this section ~~shall be~~ are in addition to all other rights allowed by law to a creditor against ~~his~~ a debtor.

(H) ~~Where~~ If a lien is on goods stored by a merchant in the course of ~~his~~ its business, the lien may be enforced in accordance with ~~either~~ division (A) or (B) of this section.

(I) ~~The warehouseman~~ A warehouse is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

Sec. ~~1307.16~~ 1307.301. ~~(A)~~ Liability for nonreceipt or misdescription: "said to contain"; "shipper's weight, load, and count"; improper handling [UCC 7-301]

~~(A)~~ (A) A consignee of a ~~non-negotiable~~ nonnegotiable bill ~~who~~ of lading which has given value in good faith, or a holder to ~~whom~~ which a negotiable bill has been duly negotiated, relying ~~in either case~~ upon the description ~~therein~~ of the goods; in the bill or upon the date ~~therein~~ shown in the bill, may recover from the issuer damages caused by the misdating of the bill or the ~~non-receipt~~ nonreceipt or misdescription of the goods, except to the extent that the ~~document~~ bill indicates that the issuer does not know whether any part or all of the goods in fact were received or conform to the description, such as ~~where~~ in a case in which the description is in terms of marks or labels or kind, quantity, or condition or the receipt or description is qualified by "contents or condition of contents of packages unknown", "said to contain", "shipper's weight, load and count," or ~~the like~~ words of similar import, if ~~such~~ that indication ~~be~~ is true.

(B) ~~When~~ If goods are loaded by ~~an~~ the issuer ~~who is of~~ a common carrier, ~~the bill of lading:~~

(1) The issuer ~~must~~ shall count the packages of goods if ~~package freight~~ shipped in packages and ascertain the kind and quantity if shipped in bulk freight. ~~In such cases; and~~

(2) Words such as "shipper's weight, load and count," or ~~other~~ words of similar import indicating that the description was made by the shipper are ineffective except as to freight goods concealed by in packages.

(C) ~~When~~ If bulk ~~freight is~~ goods are loaded by a shipper ~~who that~~ makes available to the issuer of a bill of lading adequate facilities for weighing ~~such freight~~ those goods, ~~an~~ the issuer ~~who is a common carrier~~ must shall ascertain the kind and quantity within a reasonable time after receiving the written shipper's request of the shipper in a record to do so. In ~~such cases~~ that case, "shipper's weight" or other words of ~~like purport~~ similar import are ineffective.

(D) The issuer ~~may of a bill of lading,~~ by ~~inserting~~ including in the bill the words "shipper's weight, load and count," or other words of ~~like purport~~ similar import, may indicate that the goods were loaded by the shipper; and, if ~~such that~~ that statement ~~be is~~ true, the issuer ~~shall is not be~~ liable for damages caused by the improper loading. ~~But their~~ However, omission of such words does not imply liability for ~~such~~ damages caused by improper loading.

(E) ~~The~~ A shipper ~~shall be deemed to have guaranteed~~ guarantees to ~~the~~ an issuer the accuracy at the time of shipment of the description, marks, labels, number, kind, quantity, condition, and weight, as furnished by ~~him;~~ the shipper, and the shipper shall indemnify the issuer against damage caused by inaccuracies in ~~such~~ those particulars. ~~The~~ This right of ~~the issuer~~ to ~~such~~ indemnity ~~shall in no way~~ does not limit ~~his~~ the issuer's responsibility ~~and~~ or liability under the contract of carriage to any person other than the shipper.

Sec. ~~1307.17~~ 1307.302. (A) Through bills of lading and similar documents of title [UCC 7-302]

(A) The issuer of a through bill of lading, or other document of title embodying an undertaking to be performed in part by ~~persons~~ a person acting as its ~~agents~~ agent or by ~~connecting carriers~~ a performing carrier, is liable to ~~anyone~~ any person entitled to recover on the bill or other document for any breach by ~~such~~ the other ~~persons~~ person or ~~by a connecting~~ the performing carrier of its obligation under the bill or other document ~~but~~, However, to the extent that the bill or other document covers an undertaking to be performed overseas or in territory not contiguous to the continental United States or an undertaking including matters other than transportation,

this liability for breach by the other person or the performing carrier may be varied by agreement of the parties.

(B) ~~Where~~ If goods covered by a through bill of lading or other document of title embodying an undertaking to be performed in part by ~~persons~~ a person other than the issuer are received by ~~any such persons~~ that person, ~~he~~ the person is subject, with respect to ~~his~~ its own performance while the goods are in ~~his~~ its possession, to the obligation of the issuer. ~~His~~ The person's obligation is discharged by delivery of the goods to another ~~such~~ person pursuant to the bill or other document; and does not include liability for breach by any other ~~such persons~~ person or by the issuer.

(C) The issuer of ~~such~~ a through bill of lading or other document ~~shall be of title described in division (A) of this section~~ is entitled to recover from the ~~connecting~~ performing carrier, or ~~such~~ other person in possession of the goods when the breach of the obligation under the bill or other document occurred; ~~the~~:

(1) The amount it may be required to pay to ~~anyone~~ any person entitled to recover on the bill or other document ~~therefor~~ for the breach, as may be evidenced by any receipt, judgment, or transcript ~~thereof~~, of judgment; and ~~the~~

(2) The amount of any expense reasonably incurred by ~~it~~ the issuer in defending any action ~~brought~~ commenced by ~~anyone~~ any person entitled to recover on the bill or other document ~~therefor~~ for the breach.

Sec. ~~1307.18~~ 1307.303. (A) Diversion; reconsignment; change of instructions [UCC 7-303]

(A) Unless the bill of lading otherwise provides, ~~the~~ a carrier may deliver the goods to a person or destination other than that stated in the bill or may otherwise dispose of the goods, without liability for misdelivery, on instructions from:

(1) the holder of a negotiable bill; ~~or~~

(2) the consignor on a ~~non-negotiable~~ nonnegotiable bill ~~notwithstanding, even if the consignee has given~~ contrary instructions from the consignee; ~~or~~

(3) the consignee on a ~~non-negotiable~~ nonnegotiable bill in the absence of contrary instructions from the consignor, if the goods have arrived at the billed destination or if the consignee is in possession of the tangible bill or in control of the electronic bill; or

(4) the consignee ~~of~~ on a ~~non-negotiable~~ nonnegotiable bill if ~~he~~ the consignee is entitled as against the consignor to dispose of ~~them~~ the goods.

(B) Unless ~~such~~ instructions described in division (A) of this section are ~~noted on~~ included in a negotiable bill of lading, a person to ~~whom~~ which the

bill is duly negotiated ~~can~~ may hold the bailee according to the original terms.

Sec. ~~1307.19~~ 1307.304. (A) Tangible bills of lading in a set [UCC 7-304]

(A) Except ~~where~~ as customary in ~~overseas~~ international transportation, a tangible bill of lading ~~must~~ may not be issued in a set of parts. The issuer is liable for damages caused by violation of this division.

(B) ~~Where~~ If a tangible bill of lading is lawfully ~~drawn~~ issued in a set of parts, each of which ~~is numbered~~ contains an identification code and is expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts ~~constitute~~ constitutes one bill.

(C) ~~Where~~ If a tangible negotiable bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to ~~whom~~ which the first due negotiation is made prevails as to both the document of title and the goods even ~~though~~ if any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by ~~surrender of his~~ surrendering its part.

(D) ~~Any~~ A person ~~who~~ that negotiates or transfers a single part of a tangible bill of lading ~~drawn~~ issued in a set is liable to holders of that part as if it were the whole set.

(E) The bailee ~~is obliged to~~ shall deliver in accordance with sections ~~1307.25~~ 1307.401 to ~~1307.28, inclusive,~~ 1307.404 of the Revised Code, against the first presented part of a tangible bill of lading lawfully ~~drawn~~ issued in a set. ~~Such delivery~~ Delivery in this manner discharges the bailee's obligation on the whole bill.

Sec. ~~1307.20~~ 1307.305. (A) Destination bills [UCC 7-305]

(A) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier ~~may,~~ at the request of the consignor, may procure the bill to be issued at destination or at any other place designated in the request.

(B) Upon request of ~~anyone~~ any person entitled as against the carrier to control the goods while in transit and on surrender of possession or control of any outstanding bill of lading or other receipt covering ~~such~~ the goods, the issuer, subject to section 1307.105 of the Revised Code, may procure a substitute bill to be issued at any place designated in the request.

Sec. ~~1307.21~~ 1307.306. ~~An~~ Altered bills of lading [UCC 7-306]

An unauthorized alteration or filling in of a blank in a bill of lading leaves the bill enforceable according to its original tenor.

Sec. ~~1307.22~~ 1307.307. (A) Lien of carrier [UCC 7-307]

(A) A carrier has a lien on the goods covered by a bill of lading or on the proceeds thereof in its possession for charges ~~subsequent to~~ after the

date of ~~its~~ the carrier's receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to ~~section 1307.23 of the Revised Code law.~~ But However, against a purchaser for value of a negotiable bill of lading, a carrier's lien is limited to charges stated in the bill or the applicable tariffs; or, if no charges are stated ~~then to,~~ a reasonable charge.

(B) A lien for charges and expenses under division (A) of this section on goods ~~which~~ that the carrier was required by law to receive for transportation is effective against the consignor or any person entitled to the goods unless the carrier had notice that the consignor lacked authority to subject the goods to ~~such~~ those charges and expenses. Any other lien under division (A) of this section is effective against the consignor and any person ~~who~~ that permitted the bailor to have control or possession of the goods unless the carrier had notice that the bailor lacked ~~such~~ authority.

(C) A carrier loses ~~his~~ its lien on any goods ~~which he~~ that it voluntarily delivers or ~~which he~~ unjustifiably refuses to deliver.

Sec. ~~1307.23~~ 1307.308. ~~(A)~~ Enforcement of carrier's lien [UCC 7-308]

(A) A carrier's lien on goods may be enforced by public or private sale of the goods, in ~~bulk~~ bulk or in ~~parcels~~ packages, at any time or place; and on any terms ~~which~~ that are commercially reasonable, after notifying all persons known to claim an interest in the goods. ~~Such~~ The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a ~~different~~ different method different from that selected by the carrier is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. ~~If the~~ The carrier ~~either~~ sells goods in a commercially reasonable manner if the carrier sells the goods in the usual manner in any recognized market therefor ~~or if he,~~ sells at the price current in ~~such~~ that market at the time of ~~his~~ the sale, or if ~~he has~~ otherwise ~~sold~~ sells in conformity with commercially reasonable practices among dealers in the type of goods sold, ~~he has sold in a commercially reasonable manner.~~ A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

(B) Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred under in complying with this section. In that event, the goods ~~must~~ may not be sold; but must be retained by the carrier,

subject to the terms of the bill of lading and sections ~~1307.01~~ 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code.

(C) ~~The~~ A carrier may buy at any public sale pursuant to this section.

(D) A purchaser in good faith of goods sold to enforce a carrier's lien takes the goods free of any rights of persons against ~~whom~~ which the lien was valid, despite the carrier's noncompliance ~~by the carrier~~ with ~~the requirements of~~ this section.

(E) ~~The~~ A carrier may satisfy ~~his~~ its lien from the proceeds of any sale pursuant to this section but ~~must~~ shall hold the balance, if any, for delivery on demand to any person to ~~whom he~~ which the carrier would have been bound to deliver the goods.

(F) The rights provided by this section ~~shall be~~ are in addition to all other rights allowed by law to a creditor against ~~his~~ a debtor.

(G) A carrier's lien may be enforced ~~in accordance with~~ pursuant to either division ~~(B)~~ (A) of this section or the procedure set forth in division (B) of section ~~1307.15~~ 1307.210 of the Revised Code.

(H) ~~The~~ A carrier is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

Sec. ~~1307.24~~ 1307.309. ~~(A)~~ Duty of care; contractual limitation of carrier's liability [UCC 7-309]

~~(A)~~ (A) A carrier ~~who~~ that issues a bill of lading, whether negotiable or ~~non-negotiable~~ nonnegotiable, shall exercise the degree of care in relation to the goods which a reasonably careful ~~man~~ person would exercise under ~~like~~ similar circumstances. This division does not ~~repeal or change~~ affect any ~~law~~ statute, regulation, or rule of law ~~which~~ that imposes liability upon a common carrier for damages not caused by its negligence.

~~(B)~~ (B) Damages may be limited by a ~~provision~~ term in the bill of lading or in a transportation agreement that the carrier's liability ~~shall~~ may not exceed a value stated in the ~~document~~ bill or transportation agreement if the carrier's rates are dependent upon value and the consignor ~~by the carrier's tariff~~ is afforded an opportunity to declare a higher value ~~or a value as lawfully provided in~~ and the tariff, or where no tariff is filed he ~~consignor is otherwise advised of~~ such the opportunity; ~~but no.~~ However, such a limitation is not effective with respect to the carrier's liability for conversion to its own use.

~~(C)~~ (C) Reasonable provisions as to the time and manner of presenting claims and ~~instituting~~ commencing actions based on the shipment may be included in a bill of lading or ~~tariff~~ a transportation agreement.

Sec. ~~1307.25~~ 1307.401. ~~The~~ Irregularities in issue of receipt or bill or

conduct of issuer [UCC 7-401]

The obligations imposed by sections ~~1307.04~~ 1307.101 to ~~1307.40,~~ 1307.603 of the Revised Code on an issuer apply to a document of title ~~regardless of the fact that even if:~~

~~(1) the (A) The document may does~~ not comply with the requirements of sections ~~1307.04~~ 1307.101 to ~~1307.40,~~ 1307.603 of the Revised Code or of any other ~~law~~ statute, rule, or regulation regarding its ~~issue~~ issuance, form, or content; or

~~(2) the (B) The issuer may have~~ violated laws regulating the conduct of ~~his~~ its business; ~~or~~

~~(3) the (C) The goods covered by the document were owned by the bailee at the time when~~ the document was issued; or

~~(4) the (D) The person issuing the document does not come within~~ is not a warehouse but the definition of warehouseman if it document purports to be a warehouse receipt.

~~Sec. 1307.26~~ 1307.402. Neither a Duplicate document of title; overissue [UCC 7-402]

A duplicate ~~nor~~ or any other document of title purporting to cover goods already represented by an outstanding document of the same issuer ~~confers~~ does not confer any right in the goods, except as provided in the case of tangible bills of lading in a set of parts, overissue of documents for fungible goods, and substitutes for lost, stolen, or destroyed documents, or substitute documents issued pursuant to section 1307.105 of the Revised Code. But the ~~The~~ issuer is liable for damages caused by ~~his~~ its overissue or failure to identify a duplicate document ~~as such~~ by a conspicuous notation on its face.

~~Sec. 1307.27~~ 1307.403. (A) The Obligation of bailee to deliver; excuse [UCC 7-403]

(A) A bailee ~~must~~ shall deliver the goods to a person entitled under the a document ~~who~~ of title if the person complies with divisions (B) and (C) of this section, unless and to the extent that the bailee establishes any of the following:

(1) delivery of the goods to a person whose receipt was rightful as against the claimant;

(2) damage to or delay, loss, or destruction of the goods for which the bailee is not liable, ~~but the burden of establishing negligence in such cases is on the person entitled under the document;~~

(3) previous sale or other disposition of the goods in lawful enforcement of a lien or on ~~warehouseman's~~ a warehouse's lawful termination of storage;

(4) the exercise by a seller of ~~his~~ its right to stop delivery pursuant to ~~the provisions of section 1302.79 of the Revised Code~~ or by a lessor of its right

to stop delivery pursuant to section 1310.72 of the Revised Code;

(5) a diversion, reconsignment, or other disposition pursuant to the provisions of section ~~1307.18~~ 1307.303 of the Revised Code ~~or tariff regulating such right;~~

(6) release, satisfaction, or any other ~~fact affording a~~ personal defense against the claimant; or

(7) any other lawful excuse.

(B) A person claiming goods covered by a document of title ~~must~~ shall satisfy the bailee's lien ~~where if~~ the bailee so requests or ~~where if~~ the bailee is prohibited by law from delivering the goods until the charges are paid.

(C) Unless the person claiming the goods is ~~one a person~~ against ~~whom~~ which the document ~~confers no~~ of title does not confer a right under division (A) of section ~~1307.31~~ 1307.503 of the Revised Code, ~~he must;~~

(1) The person claiming under a document shall surrender for cancellation possession or notation control of partial deliveries any outstanding negotiable document covering the goods; for cancellation or indication of partial deliveries; and the

(2) The bailee must shall cancel the document or conspicuously ~~note~~ indicate in the document the partial delivery thereon or be the bailee is liable to any person to ~~whom~~ which the document is duly negotiated.

~~(D) "Person entitled under the document" means holder in the case of a negotiable document, or the person to whom delivery is to be made by the terms of or pursuant to written instructions under a non negotiable document.~~

~~Sec. 1307.28~~ 1307.404. A No liability for good-faith delivery pursuant to document of title [UCC 7-404]

A bailee who that in good faith, ~~including observance of reasonable commercial standards~~ has received goods and delivered or otherwise disposed of ~~them~~ the goods according to the terms of ~~the a~~ document of title or pursuant to sections ~~1307.04~~ 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code; is not liable ~~therefor. This rule applies for the goods even though the if;~~

(A) The person from whom he which the bailee received the goods had no did not have authority to procure the document or to dispose of the goods ~~and even though the; or~~

(B) The person to whom he which the bailee delivered the goods had no did not have authority to receive ~~them~~ the goods.

~~Sec. 1307.29~~ 1307.501. (A) A Form of negotiation and requirements of due negotiation [UCC 7-501]

(A) The following rules apply to a negotiable tangible document of title

~~running:~~

~~(1) If the document's original terms run to the order of a named person, the document is negotiated by his the named person's indorsement and delivery. After his the named person's indorsement in blank or to bearer, any person can may negotiate it the document by delivery alone.~~

~~(B)(1) A negotiable document of title~~ (2) If the document's original terms run to bearer, it is also negotiated by delivery alone when by its original terms it runs to bearer.

~~(2) When a document running~~ (3) If the document's original terms run to the order of a named person and it is delivered to him the named person, the effect is the same as if the document had been negotiated.

~~(C)(4) Negotiation of a negotiable the document of title after it has been indorsed to a specified named person requires indorsement by the special indorsee as well as named person and delivery.~~

~~(D)(5) A negotiable document of title is "duly negotiated" when if it is negotiated in the manner stated in this section division to a holder who that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves receiving the document in settlement or payment of a money monetary obligation.~~

~~(E)(B) The following rules apply to a negotiable electronic document of title:~~

(1) If the document's original terms run to the order of a named person or to bearer, the document is negotiated by delivery of the document to another person. Indorsement by the named person is not required to negotiate the document.

(2) If the document's original terms run to the order of a named person and the named person has control of the document, the effect is the same as if the document had been negotiated.

(3) A document is duly negotiated if it is negotiated in the manner stated in this division to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves taking delivery of the document in settlement or payment of a monetary obligation.

~~(C) Indorsement of a non-negotiable nonnegotiable document of title neither makes it negotiable nor adds to the transferee's rights.~~

~~(F)(D) The naming in a negotiable bill of lading of a person to be notified of the arrival of the goods does not limit the negotiability of the bill~~

~~nor~~ or constitute notice to a purchaser ~~thereof~~ of the bill of any interest of ~~such~~ that person in the goods.

Sec. ~~1307.30~~ 1307.502. (A) Rights acquired by due negotiation [UCC 7-502]

(A) Subject to sections ~~1307.34~~ 1307.205 and ~~1307.10~~ 1307.503 of the Revised Code ~~on fungible goods~~, a holder to ~~whom~~ which a negotiable document of title has been duly negotiated acquires thereby:

- (1) title to the document;
- (2) title to the goods;
- (3) all rights accruing under the law of agency or estoppel, including rights to goods delivered to the bailee after the document was issued; and
- (4) the direct obligation of the issuer to hold or deliver the goods according to the terms of the document free of any defense or claim by ~~him~~ the issuer except those arising under the terms of the document or under sections ~~1307.04~~ 1307.101 to ~~1307.40~~, ~~inclusive~~, 1307.603 of the Revised Code. ~~In~~, but in the case of a delivery order, the bailee's obligation accrues only upon the bailee's acceptance of the delivery order and the obligation acquired by the holder is that the issuer and any indorser will procure the acceptance of the bailee.

(B) Subject to section ~~1307.34~~ 1307.503 of the Revised Code, title and rights ~~so~~ acquired by due negotiation are not defeated by any stoppage of the goods represented by the document of title or by surrender of ~~such~~ the goods by the bailee; and are not impaired even ~~though~~ if:

- (1) The due negotiation or any prior due negotiation constituted a breach of duty ~~or even though any~~;
- (2) Any person has been deprived of possession of ~~the~~ a negotiable tangible document or control of a negotiable electronic document by misrepresentation, fraud, accident, mistake, duress, loss, theft, or conversion; ~~or even though a~~
- (3) A previous sale or other transfer of the goods or document has been made to a third person.

Sec. ~~1307.34~~ 1307.503. (A) Document of title to goods defeated in certain cases [UCC 7-503]

(A) A document of title confers no right in goods against a person ~~who~~ that before issuance of the document had a legal interest or a perfected security interest in ~~them~~ the goods and ~~who neither~~ that did not:

- (1) ~~delivered or entrusted them~~ Deliver or entrust the goods or any document of title covering ~~them~~ the goods to the bailor or the bailor's nominee with actual:
- (a) Actual or apparent authority to ship, store, or sell ~~or with power~~;

(b) Power to obtain delivery under section ~~1307.27~~ 1307.403 of the Revised Code; or with power

(c) Power of disposition under sections ~~division (C) of section 1309.321 or section 1302.44 and, 1309.320, 1310.32, or 1310.33~~ of the Revised Code, or other ~~statue~~ statute or rule of law; ~~nor~~ or

(2) ~~acquiesced~~ Acquiesce in the procurement by the bailor or ~~the bailor's~~ its nominee of any document ~~of title~~.

(B) Title to goods based upon an unaccepted delivery order is subject to the rights of ~~anyone~~ any person to whom which a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. ~~Such a~~ That title may be defeated under section ~~1307.32~~ 1307.504 of the Revised Code to the same extent as the rights of the issuer or a transferee from the issuer.

(C) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of ~~anyone~~ any person to whom which a bill issued by the freight forwarder is duly negotiated; ~~but~~. However, delivery by the carrier in accordance with sections ~~1307.25~~ 1307.401 to ~~1307.28~~ 1307.404 of the Revised Code; pursuant to its own bill of lading discharges the carrier's obligation to deliver.

Sec. ~~1307.32~~ 1307.504. (A) Rights acquired in absence of due negotiation; effect of diversion; stoppage of delivery [UCC 7-504]

(A) A transferee of a document of title, whether negotiable or ~~non-negotiable~~ nonnegotiable, to whom which the document has been delivered but not duly negotiated, acquires the title and rights ~~which his~~ that its transferor had or had actual authority to convey.

(B) In the case of a ~~non-negotiable~~ transfer of a nonnegotiable document of title, until but not after the bailee receives ~~notification~~ notice of the transfer, the rights of the transferee may be defeated:

(1) ~~by~~ By those creditors of the transferor ~~who~~ which could treat the ~~sale~~ transfer as void under section 1302.43 or 1310.36 of the Revised Code; ~~or~~

(2) ~~by~~ By a buyer from the transferor in ordinary course of business if the bailee has delivered the goods to the buyer or received notification of ~~his~~ the buyer's rights; ~~or~~

(3) ~~as~~ By a lessee from the transferor in ordinary course of business if the bailee has delivered the goods to the lessee or received notification of the lessee's rights; or

(4) ~~As~~ against the bailee, by ~~good-faith~~ good-faith dealings of the bailee with the transferor.

(C) A diversion or other change of shipping instructions by the consignor in a ~~non-negotiable~~ nonnegotiable bill of lading which causes the

bailee not to deliver the goods to the consignee defeats the consignee's title to the goods if ~~they~~ the goods have been delivered to a buyer in ordinary course of business or a lessee in ordinary course of business and, in any event, defeats the consignee's rights against the bailee.

(D) Delivery ~~of the goods~~ pursuant to a ~~non-negotiable~~ nonnegotiable document of title may be stopped by a seller ~~pursuant to~~ under section 1302.79 of the Revised Code ~~and or a lessor under section 1310.72 of the Revised Code,~~ subject to the ~~requirement~~ requirements of due notification ~~there provided in those sections.~~ A bailee ~~honoring that honors~~ the seller's or lessor's instructions is entitled to be indemnified by the seller or lessor against any resulting loss or expense.

Sec. ~~1307.33~~ 1307.505. The Indorser not guarantor for other parties [UCC 7-505]

The indorsement of a tangible document of title issued by a bailee does not make the indorser liable for any default by the bailee or ~~by~~ previous indorsers.

Sec. ~~1307.34~~ 1307.506. The Delivery without indorsement: right to compel indorsement [UCC 7-506]

The transferee of a negotiable tangible document of title has a specifically enforceable right to have ~~his~~ its transferor supply any necessary indorsement, but the transfer becomes a negotiation only as of the time the indorsement is supplied.

Sec. ~~1307.35~~ 1307.507. Where Warranties on negotiation or delivery of document of title [UCC 7-507]

If a person negotiates or ~~transfers~~ delivers a document of title for value, otherwise than as a mere intermediary under section ~~1307.36~~ 1307.508 of the Revised Code, ~~then~~ unless otherwise agreed ~~he warrants to his immediate purchaser only,~~ the transferor, in addition to any warranty made in selling or leasing the goods, warrants to its immediate purchaser only that:

(A) ~~that the~~ The document is genuine; ~~and~~

(B) ~~that he has no~~ The transferor does not have knowledge of any fact ~~which that~~ would impair its the document's validity or worth; and

(C) ~~that his~~ The negotiation or ~~transfer~~ delivery is rightful and fully effective with respect to the title to the document and the goods it represents.

Sec. ~~1307.36~~ 1307.508. A Warranties of collecting bank as to documents of title [UCC 7-508]

A collecting bank or other intermediary known to be entrusted with documents of title on behalf of another or with collection of a draft or other

claim against delivery of documents warrants by ~~such the~~ the delivery of the documents only its own good faith and authority. ~~This rule applies even though~~ if the collecting bank or other intermediary has purchased or made advances against the claim or draft to be collected.

~~Sec. 1307.37~~ 1307.509. The question whether Adequate compliance with commercial contract [UCC 7-509]

Whether a document of title is adequate to fulfill the obligations of a contract for sale, a contract for lease, or the conditions of a letter of credit is governed determined by sections 1302.01 to 1302.98, inclusive, and 1305.01 to 1305.16, inclusive, and 1310.01 to 1310.78 of the Revised Code.

~~Sec. 1307.38~~ 1307.601. (A) Lost, stolen, or destroyed documents of title [UCC 7-601]

(A) If a document has been of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with such the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant must post claimant's posting security approved by the court to indemnify unless it finds that any person who that may suffer loss as a result of non-surrender nonsurrender of possession or control of the document is adequately protected against the loss. If the document was not negotiable nonnegotiable, such the court may require security may be required at the discretion of the court. The court may also in its discretion order payment of the bailee's reasonable costs and counsel attorney's fees in any action under this division.

(B) A bailee who that, without a court order, delivers goods to a person claiming under a missing negotiable document of title is liable to any person injured thereby, and if. If the delivery is not in good faith becomes, the bailee is liable for conversion. Delivery in good faith is not conversion if made in accordance with a filed classification or tariff or, where no classification or tariff is filed, if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery who which files a notice of claim within one year after the delivery.

~~Sec. 1307.39~~ 1307.602. Except where the Judicial process against goods covered by negotiable document of title [UCC 7-602]

Unless a document of title was originally issued upon delivery of the goods by a person who had no that did not have power to dispose of them, no a lien attaches does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document be is first

surrendered to the bailee or ~~its~~ the document's negotiation is enjoined, ~~and the~~. ~~The~~ bailee ~~shall~~ may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to him ~~the~~ bailee or ~~impounded by~~ to the court. ~~One who purchases~~ A purchaser of the document for value without notice of the process or injunction takes free of the lien imposed by judicial process.

~~Sec. 1307.40~~ 1307.603. If Conflicting claims; interpleader [UCC 7-603]

If more than one person claims title to or possession of the goods, the bailee is excused from delivery until he the bailee has had a reasonable time to ascertain the validity of the adverse claims or to bring commence an action to compel all claimants to interplead and may compel such for interpleader. ~~The bailee may assert an interpleader either in defending an action for non-delivery nondelivery of the goods; or by original action; whichever is appropriate.~~

Sec. 1307.703. Applicability [UCC 7-703]

Sections 1307.101 to 1307.603 of the Revised Code apply to a document of title that is issued or a bailment that arises on or after the effective date of this section. Sections 1307.101 to 1307.603 of the Revised Code do not apply to a document of title that is issued or a bailment that arises before the effective date of this section even if the document of title or bailment would be subject to those sections if the document of title had been issued or bailment had arisen after the effective date of this section. These sections do not apply to a right of action that has accrued before the effective date of this section.

Sec. 1307.704. Savings clause [UCC 7-704]

A document of title issued or a bailment that arises before the effective date of sections 1307.101 to 1307.603 of the Revised Code and the rights, obligations, and interests flowing from that document or bailment are governed by any statute or other rule amended or repealed by H.B. 9 of the 129th general assembly as if amendment or repeal had not occurred and may be terminated, completed, consummated, or enforced under that statute or other rule.

Sec. 1308.01. (A) In this chapter:

(1) "Adverse claim" means a claim that a claimant has a property interest in a financial asset and that it is a violation of the rights of the claimant for another person to hold, transfer, or deal with the financial asset.

(2) "Bearer form," as applied to a certificated security, means a form in which the security is payable to the bearer of the security certificate according to its terms but not by reason of an indorsement.

(3) "Broker" means a person defined as a broker or dealer under the

federal securities laws, but without excluding a bank acting in that capacity.

(4) "Certificated security" means a security that is represented by a certificate.

(5) "Clearing corporation" means:

(a) A person that is registered as a "clearing agency" under the federal securities laws;

(b) A federal reserve bank; or

(c) Any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority.

(6) "Communicate" means to:

(a) Send a signed writing; or

(b) Transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.

(7) "Entitlement holder" means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of division (B)(2) or (3) of section 1308.51 of the Revised Code, that person is the entitlement holder.

(8) "Entitlement order" means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement.

(9) "Financial asset," except as otherwise provided in section 1308.02 of the Revised Code, means:

(a) A security;

(b) An obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(c) Any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this chapter.

As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

(10) "Good faith;" ~~for purposes of the obligation of good faith in the~~

~~performance or enforcement of contracts or duties within this chapter, means honesty in fact and the observance of reasonable commercial standards of fair dealing~~ has the same meaning as in section 1301.201 of the Revised Code.

(11) "Indorsement" means a signature that alone or accompanied by other words is made on a security certificate in registered form or on a separate document for the purpose of assigning, transferring, or redeeming the security or granting a power to assign, transfer, or redeem it.

(12) "Instruction" means a notification communicated to the issuer of an uncertificated security which directs that the transfer of the security be registered or that the security be redeemed.

(13) "Registered form," as applied to a certificated security, means a form in which:

(a) The security certificate specifies a person entitled to the security; and

(b) A transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states.

(14) "Securities intermediary" means:

(a) A clearing corporation; or

(b) A person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

(15) "Security," except as otherwise provided in section 1308.02 of the Revised Code, means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer:

(a) Which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;

(b) Which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations; and

(c) Which:

(i) Is, or is of a type, dealt in or traded on securities exchanges or securities markets; or

(ii) Is a medium for investment and by its terms expressly provides that it is a security governed by this chapter.

(16) "Security certificate" means a certificate representing a security.

(17) "Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset specified in sections 1308.51 to 1308.61 of the Revised Code.

(18) "Uncertificated security" means a security that is not represented by

a certificate.

(B) Other definitions applying to this chapter and the sections in which they appear are:

(1) "Appropriate person," as defined in section 1308.23 of the Revised Code.

(2) "Control," as defined in section 1308.24 of the Revised Code.

(3) "Delivery," as defined in section 1308.27 of the Revised Code.

(4) "Investment company security," as defined in section 1308.02 of the Revised Code.

(5) "Issuer," as defined in section 1308.08 of the Revised Code.

(6) "Overissue," as defined in section 1308.03 of the Revised Code.

(7) "Protected purchaser," as defined in section 1308.17 of the Revised Code.

(8) "Securities account," as defined in section 1308.51 of the Revised Code.

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

(D) The characterization of a person, business, or transaction for purposes of this chapter does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule.

Sec. 1308.02. (A) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

(B) An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

(C) An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this chapter, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

(D) A writing that is a security certificate is governed by this chapter

and not by Chapter 1303. of the Revised Code, even though it also meets the requirements of that chapter. However, a negotiable instrument governed by Chapter 1303. of the Revised Code is a financial asset if it is held in a securities account.

(E) An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

(F) A commodity contract, as defined in division (A)(15) of section 1309.102 of the Revised Code, is not a security or a financial asset.

(G) A document of title is not a financial asset unless division (A)(9)(c) of section 1308.01 of the Revised Code applies.

Sec. 1309.102. (A) As used in this chapter, unless the context requires otherwise:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2)(a) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state.

(b) "Account" includes health-care insurance receivables.

(c) "Account" does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person who is obligated on an account, chattel paper, or general intangible. "Account debtor" does not include a person who is obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting," except as used in "accounting for," means a record:

(a) Authenticated by a secured party;

(b) Indicating the aggregate unpaid secured obligations as of a date not

more than thirty-five days earlier or thirty-five days later than the date of the record; and

(c) Identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(a) That secures payment or performance of an obligation for:

(i) Goods or services furnished in connection with a debtor's farming operation; or

(ii) Rent on real property leased by a debtor in connection with its farming operation.

(b) That is created by statute in favor of a person who:

(i) In the ordinary course of business, furnished goods or services to a debtor in connection with the debtor's farming operation; or

(ii) Leased real property to a debtor in connection with the debtor's farming operation; and

(c) Whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(a) Oil, gas, or other minerals that are subject to a security interest that:

(i) Is created by a debtor having an interest in the minerals before extraction; and

(ii) Attaches to the minerals as extracted; or

(b) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(a) To sign; or

(b) To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. "Bank" includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11)(a) "Chattel paper" means a record that evidences both a monetary obligation and a security interest in specific goods, a security interest in

specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods.

As used in division (A)(11)(a) of this section, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods.

(b) If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(c) "Chattel paper" does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(12) "Collateral" means the property subject to a security interest or agricultural lien, including:

(a) Proceeds to which a security interest attaches;

(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(c) Goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(a) The claimant is an organization; or

(b) The claimant is an individual, and the claim:

(i) Arose in the course of the claimant's business or profession; and

(ii) Does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(a) Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws; or

(b) Traded on a foreign commodity board of trade, exchange, or market and is carried on the books of a commodity intermediary for a commodity customer.

(16) "Commodity customer" means a person for whom a commodity

intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(a) Is registered as a futures commission merchant under the federal commodities laws; or

(b) In the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to the federal commodities laws.

(18) "Communicate" means:

(a) To send a written or other tangible record;

(b) To transmit a record by any means agreed upon by the persons sending and receiving the record; or

(c) In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(19) "Consignee" means a merchant to whom goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(a) The merchant:

(i) Deals in goods of that kind under a name other than the name of the person making delivery;

(ii) Is not an auctioneer; and

(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;

(b) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery.

(c) The goods are not consumer goods immediately before delivery; and

(d) The transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(a) An individual incurs an obligation primarily for personal, family, or household purposes; and

(b) A security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily

for personal, family, or household purposes.

(26) "Consumer transaction" means a transaction in which: (a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. "Consumer transaction" includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement that:

(a) Identifies, by its file number, the initial financing statement to which it relates; and

(b) Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(a) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(b) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(c) A consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank but does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in division (B) of section ~~1307.06~~ 1307.201 of the Revised Code.

(31) "Electronic chattel paper" means chattel paper evidenced by a record consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. "Encumbrance" includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and that are:

(a) Crops grown, growing, or to be grown, including:

(i) Crops produced on trees, vines, and bushes; and

(ii) Aquatic goods produced in aquacultural operations;

(b) Livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(c) Supplies used or produced in a farming operation; or

(d) Products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating,

fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement under division (A) of section 1309.519 of the Revised Code.

(37) "Filing office" means an office designated in section 1309.501 of the Revised Code as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted under section 1309.526 of the Revised Code.

(39) "Financing statement" means a record composed of an initial financing statement and any filed record or records relating to the initial financing statement. For the purposes of this chapter, financing statements filed for recording with the secretary of state shall not be required to include social security or employer identification numbers.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying divisions (A) and (B) of section 1309.502 of the Revised Code. "Fixture filing" includes the filing of a financing statement covering goods of a transmitting utility that are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. "General intangible" includes payment intangibles and software.

(43) "Good faith" ~~means honesty in fact and the observance of reasonable commercial standards of fair dealing~~ has the same meaning as in section 1301.201 of the Revised Code.

(44)(a) "Goods" means all things that are movable when a security interest attaches. "Goods" includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes.

(b) "Goods" also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.

(c) "Goods" does not include a computer program embedded in goods

that consist solely of the medium in which the program is embedded. "Goods" does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipal corporation, or other unit of the government of the United States, a state, or a foreign country. "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health-care goods or services provided.

(47)(a) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

(b) "Instrument" does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, that:

(a) Are leased by a person as lessor;

(b) Are held by a person for sale or lease or to be furnished under a contract of service;

(c) Are furnished by a person under a contract of service; or

(d) Consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, a security entitlement, a securities account, a commodity contract, or a commodity account.

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. "Letter-of-credit right" does not include the right of a beneficiary to demand payment or

performance under a letter of credit.

(52) "Lien creditor" means:

(a) A creditor who has acquired a lien on the property involved by attachment, levy or the like;

(b) An assignee for benefit of creditors from the time of assignment;

(c) A trustee in bankruptcy from the date of the filing of the petition; or

(d) A receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one or more sections, that, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. "Manufactured home" includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States secretary of housing and urban development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(a) That creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(b) In which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, that secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under division (D) of section 1309.203 of the Revised Code by a security agreement previously entered into by another person.

(57)(a) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee.

(b) "New value" does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59)(a) "Obligor" means a person who, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for

payment or other performance of the obligation.

(b) "Obligor" does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor," except as used in division (C) of section 1309.310 of the Revised Code, means a person who, as debtor, entered into a security agreement to which a new debtor has become bound under division (D) of section 1309.203 of the Revised Code.

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to," with respect to an individual, means:

(a) The spouse of the individual;

(b) A brother, brother-in-law, sister, or sister-in-law of the individual;

(c) An ancestor or lineal descendant of the individual or the individual's spouse; or

(d) Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization, means:

(a) A person directly or indirectly controlling, controlled by, or under common control with the organization;

(b) An officer or director of, or a person performing similar functions with respect to, the organization;

(c) An officer or director of, or a person performing similar functions with respect to, a person described in division (A)(63)(a) of this section;

(d) The spouse of an individual described in division (A)(63)(a), (b), or (c) of this section; or

(e) An individual who is related by blood or marriage to an individual described in division (A)(63)(a), (b), (c), or (d) of this section and shares the same home with the individual.

(64) "Proceeds," except as used in division (B) of section 1309.609 of the Revised Code, means the following property:

(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(b) Whatever is collected on, or distributed on account of, collateral;

(c) Rights arising out of collateral;

(d) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to the collateral; or

(e) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to the

collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party that includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 1309.620, 1309.621, and 1309.622 of the Revised Code.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(a) Debt securities are issued;

(b) All or a portion of the securities issued have an initial stated maturity of at least twenty years; and

(c) The debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(a) The obligor's obligation is secondary; or

(b) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

(a) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(b) A person that holds an agricultural lien;

(c) A consignor;

(d) A person to whom accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(e) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(f) A person who holds a security interest arising under section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of the Revised Code.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send," in connection with a record or notification, means:

(a) To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(b) To cause the record or notification to be received within the time that it would have been received if properly sent under division (A)(74)(a) of this section.

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. "Software" does not include a computer program that is included in the definition of goods.

(76) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement that:

(a) Identifies, by its file number, the initial financing statement to which it relates; and

(b) Indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

- (a) Operating a railroad, subway, street railway, or trolley bus;
- (b) Transmitting communications electrically, electromagnetically, or by light;
- (c) Transmitting goods by pipeline or sewer; or
- (d) Transmitting or producing and transmitting electricity, steam, gas, or water.

(B) Other definitions applying to this chapter are:

(1) "Applicant" has the same meaning as in section 1305.01 of the Revised Code.

(2) "Beneficiary" has the same meaning as in section 1305.01 of the Revised Code.

(3) "Broker" has the same meaning as in section 1308.01 of the Revised Code.

(4) "Certificated security" has the same meaning as in section 1308.01 of the Revised Code.

(5) "Check" has the same meaning as in section 1303.03 of the Revised Code.

(6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code.

(7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code.

(8) "Control" with respect to a document of title, has the same meaning as in section 1307.106 of the Revised Code.

(9) "Customer" has the same meaning as in section 1304.01 of the Revised Code.

~~(9)~~(10) "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code.

~~(10)~~(11) "Financial asset" has the same meaning as in section 1308.01 of the Revised Code.

~~(11)~~(12) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.

~~(12)~~(13) "Issuer," with respect to a letter of credit or letter-of-credit right, has the same meaning as in section 1305.01 of the Revised Code.

~~(13)~~(14) "Issuer," with respect to a security, has the same meaning as in section 1308.08 of the Revised Code.

~~(14)~~ (15) "Issuer," with respect to a document of title, has the same meaning as in section 1307.102 of the Revised Code.

(16) "Lease," "lease agreement," "lease contract," "leasehold interest," "lessee," "lessee in ordinary course of business," "lessor," and "lessor's residual interest" have the same meanings as in section 1310.01 of the

Revised Code.

~~(15)~~(17) "Letter of credit" has the same meaning as in section 1305.01 of the Revised Code.

~~(16)~~(18) "Merchant" has the same meaning as in section 1302.01 of the Revised Code.

~~(17)~~(19) "Negotiable instrument" has the same meaning as in section 1303.03 of the Revised Code.

~~(18)~~(20) "Nominated person" has the same meaning as in section 1305.01 of the Revised Code.

~~(19)~~(21) "Note" has the same meaning as in section 1303.03 of the Revised Code.

~~(20)~~(22) "Proceeds of a letter of credit" has the same meaning as in section 1305.13 of the Revised Code.

~~(21)~~(23) "Prove" has the same meaning as in section 1303.01 of the Revised Code.

~~(22)~~(24) "Sale" has the same meaning as in division (A)(11) of section 1302.01 of the Revised Code.

~~(23)~~(25) "Securities account" has the same meaning as in section 1308.51 of the Revised Code.

~~(24)~~(26) "Securities intermediary," "security," "security certificate," "security entitlement," and "uncertificated security" have the same meanings as in section 1308.01 of the Revised Code.

(C) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretations set forth in sections 1301.01 to 1301.14 of the Revised Code are applicable to throughout this chapter.

Sec. 1309.203. (A) A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(B) Except as otherwise provided in divisions (C) to (I) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) Value has been given;

(2) The debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) One of the following conditions is met:

(a) The debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(b) The collateral is not a certificated security and is in the possession of

the secured party under section 1309.313 of the Revised Code pursuant to the debtor's security agreement;

(c) The collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 1308.27 of the Revised Code pursuant to the debtor's security agreement; or

(d) The collateral is deposit accounts, electronic chattel paper, investment property, ~~or~~ letter-of-credit rights, or electronic documents, and the secured party has control under section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the Revised Code pursuant to the debtor's security agreement.

(C) Division (B) of this section is subject to section 1304.20 of the Revised Code on the security interest of a collecting bank, section 1305.18 of the Revised Code on the security interest of a letter-of-credit issuer or nominated person, section 1309.110 of the Revised Code on a security interest arising under Chapter 1302. or 1310. of the Revised Code, and section 1309.206 of the Revised Code on security interests in investment property.

(D) A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this article or by contract:

(1) The security agreement becomes effective to create a security interest in the person's property; or

(2) The person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

(E) If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) The agreement satisfies division (B)(3) of this section with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) Another agreement is not necessary to make a security interest in the property enforceable.

(F) The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by section 1309.315 of the Revised Code and is also attachment of a security interest in a supporting obligation for the collateral.

(G) The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest,

mortgage, or other lien.

(H) The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(I) The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

Sec. 1309.207. (A) Except as otherwise provided in division (D) of this section, a secured party shall use reasonable care in the custody and preservation of collateral in the secured party's possession. In the case of an instrument or chattel paper, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

(B) Except as otherwise provided in division (D) of this section, if a secured party has possession of collateral:

(1) Reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use, or operation of the collateral are chargeable to the debtor and are secured by the collateral;

(2) The risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

(3) The secured party shall keep the collateral identifiable but fungible collateral may be commingled; and

(4) The secured party may use or operate the collateral:

(a) For the purpose of preserving the collateral or its value;

(b) As permitted by an order of a court having competent jurisdiction; or

(c) Except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

(C) Except as otherwise provided in division (D) of this section, a secured party having possession of collateral or control of collateral under section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the Revised Code:

(1) May hold as additional security any proceeds, except money or funds, received from the collateral;

(2) Shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) May create a security interest in the collateral.

(D) If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:

(1) Division (A) of this section does not apply unless the secured party is entitled under an agreement:

(a) To charge back uncollected collateral; or
(b) Otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and

(2) Divisions (B) and (C) of this section do not apply.

Sec. 1309.208. (A) This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.

(B) Within ten days after receiving an authenticated demand by the debtor:

(1) A secured party having control of a deposit account under division (A)(2) of section 1309.104 of the Revised Code shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party.

(2) A secured party having control of a deposit account under division (A)(3) of section 1309.104 of the Revised Code shall:

(a) Pay the debtor the balance on deposit in the deposit account; or

(b) Transfer the balance on deposit into a deposit account in the debtor's name.

(3) A secured party, other than a buyer, having control of electronic chattel paper under section 1309.105 of the Revised Code shall:

(a) Communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;

(b) If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(c) Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy that add or change an identified assignee of the authoritative copy without the consent of the secured party.

(4) A secured party having control of investment property under division (D)(2) of section 1308.24 or division (B) of section 1309.106 of the Revised Code shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary

or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; and

(5) A secured party having control of a letter-of-credit right under section 1309.107 of the Revised Code shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party.

(6) A secured party having control of an electronic document shall:

(a) Give control of the electronic document to the debtor or its designated custodian;

(b) If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(c) Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party.

Sec. 1309.301. Except as otherwise provided in sections 1309.303 to 1309.306 of the Revised Code, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(A) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(B) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(C) Except as otherwise provided in division (D) of this section, while tangible negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(1) Perfection of a security interest in the goods by filing a fixture filing;

(2) Perfection of a security interest in timber to be cut; and

(3) The effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(D) The local law of the jurisdiction in which the wellhead or minehead

is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

Sec. 1309.310. (A) Except as otherwise provided in division (B) of this section and division (B) of section 1309.312 of the Revised Code, a financing statement must be filed to perfect all security interests and agricultural liens.

(B) The filing of a financing statement is not necessary to perfect a security interest:

(1) That is perfected under division (D), (E), (F), or (G) of section 1309.308 of the Revised Code;

(2) That is perfected under section 1309.309 of the Revised Code when it attaches;

(3) In property subject to a statute, regulation, or treaty described in division (A) of section 1309.311 of the Revised Code;

(4) In goods in possession of a bailee which is perfected under division (D)(1) or (2) of section 1309.312 of the Revised Code;

(5) In certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under division (E), (F), or (G) of section 1309.312 of the Revised Code;

(6) In collateral in the secured party's possession under section 1309.313 of the Revised Code;

(7) In a certificated security perfected by delivery of the security certificate to the secured party under section 1309.313 of the Revised Code;

(8) In deposit accounts, electronic chattel paper, electronic documents, investment property, or letter-of-credit rights perfected by control under section 1309.314 of the Revised Code;

(9) In proceeds which is perfected under section 1309.315 of the Revised Code; or

(10) That is perfected under section 1309.316 of the Revised Code.

(C) If a secured party assigns a perfected security interest or agricultural lien, a filing under this chapter is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

Sec. 1309.312. (A) A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

(B) Except as otherwise provided in divisions (C) and (D) of section 1309.315 of the Revised Code for proceeds:

(1) A security interest in a deposit account may be perfected only by control under section 1309.314 of the Revised Code;

(2) And except as otherwise provided in division (D) of section

1309.308 of the Revised Code, a security interest in a letter-of-credit right may be perfected only by control under section 1309.314 of the Revised Code; and

(3) A security interest in money may be perfected only by the secured party's taking possession under section 1309.313 of the Revised Code.

(C) While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(1) A security interest in the goods may be perfected by perfecting a security interest in the document; and

(2) A security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

(D) While goods are in the possession of a bailee that has issued a non-negotiable document covering the goods, a security interest in the goods may be perfected by:

(1) Issuance of a document in the name of the secured party;

(2) The bailee's receipt of notification of the secured party's interest; or

(3) Filing as to the goods.

(E) A security interest in certificated securities, or negotiable documents, or instruments is perfected without filing or the taking of possession or control for a period of twenty days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

(F) A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for a period of twenty days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

(1) Ultimate sale or exchange; or

(2) Loading, unloading, storing, shipping, trans-shipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(G) A perfected security interest in an instrument or certificated security remains perfected for twenty days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

(1) Ultimate sale or exchange; or

(2) Presentation, collection, enforcement, renewal, or registration of transfer.

(H) After the twenty-day period specified in divisions (E), (F), or (G) of this section expires, perfection depends upon compliance with this chapter.

Sec. 1309.313. (A) Except as otherwise provided in division (B) of this section, a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 1308.27 of the Revised Code.

(B) With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in division (D) of section 1309.316 of the Revised Code.

(C) With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(1) The person in possession authenticates a record acknowledging that the person holds possession of the collateral for the secured party's benefit; or

(2) The person takes possession of the collateral after having authenticated a record acknowledging that the person will hold possession of collateral for the secured party's benefit.

(D) If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

(E) A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under section 1308.27 of the Revised Code and remains perfected by delivery until the debtor obtains possession of the security certificate.

(F) A person in possession of collateral is not required to acknowledge that the person holds possession for a secured party's benefit.

(G) If a person acknowledges that the person holds possession for the secured party's benefit:

(1) The acknowledgment is effective under division (C) of this section or division (A) of section 1308.27 of the Revised Code, even if the acknowledgment violates the rights of a debtor; and

(2) Unless the person otherwise agrees or law other than this chapter otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

(H) A secured party having possession of collateral does not relinquish

possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

- (1) To hold possession of the collateral for the secured party's benefit; or
- (2) To redeliver the collateral to the secured party.

(I) A secured party does not relinquish possession, even if a delivery under division (H) of this section violates the rights of a debtor. A person to whom collateral is delivered under division (H) of this section does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this chapter otherwise provides.

Sec. 1309.314. (A) A security interest in investment property, deposit accounts, letter-of-credit rights, ~~or~~ electronic chattel paper, or electronic documents may be perfected by control of the collateral under section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the Revised Code.

(B) A security interest in deposit accounts, electronic chattel paper, ~~or~~ letter-of-credit rights, or electronic documents is perfected by control under section 1307.106, 1309.104, 1309.105, or 1309.107 of the Revised Code when the secured party obtains control and remains perfected by control only while the secured party retains control.

(C) A security interest in investment property is perfected by control under ~~Section~~ section 1309.106 of the Revised Code from the time the secured party obtains control and remains perfected by control until:

- (1) The secured party does not have control; and
- (2) One of the following occurs:
 - (a) If the collateral is a certificated security, the debtor has or acquires possession of the security certificate;
 - (b) If the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or
 - (c) If the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

Sec. 1309.317. (A) A security interest or agricultural lien is subordinate to the rights of:

- (1) A person entitled to priority under section 1309.322 of the Revised Code; and
- (2) Except as otherwise provided in division (E) of this section, a person who becomes a lien creditor before the earlier of the time:
 - (a) The security interest or agricultural lien is perfected; or
 - (b) One of the conditions specified in division (B)(3) of section

1309.203 of the Revised Code is met and a financing statement covering the collateral is filed.

(B) Except as otherwise provided in division (E) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(C) Except as otherwise provided in division (E) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(D) A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, electronic documents, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(E) Except as otherwise provided in sections 1309.320 and 1309.321 of the Revised Code, if a person files a financing statement with respect to a purchase money security interest before or within twenty days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor that arise between the time the security interest attaches and the time of filing.

Sec. 1309.331. (A) This chapter does not limit the rights of a holder in due course of a negotiable instrument, as defined in section 1303.32 of the Revised Code, or a holder to whom a negotiable document of title has been duly negotiated under section ~~1307.29~~ 1307.501 of the Revised Code, or a protected purchaser of a security under section 1308.17 of the Revised Code. These holders or purchasers take priority over an earlier security interest, even though perfected, to the extent provided in Chapters 1303., 1307., and 1308. of the Revised Code.

(B) This chapter does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Chapter 1308. of the Revised Code.

(C) Filing under this chapter does not constitute notice of a claim or defense to the holders, purchasers, or persons described in divisions (A) and (B) of this section.

Sec. 1309.338. If a security interest or agricultural lien is perfected by a filed financing statement providing information described in division (B)(5) of section 1309.516 of the Revised Code that is incorrect at the time the

financing statement is filed:

(A) The security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

(B) A purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of tangible chattel paper, tangible documents, goods, instruments, or a security certificate, receives delivery of the collateral.

Sec. 1309.601. (A) After default, a secured party has the rights provided in sections 1309.601 to 1309.628 of the Revised Code and, except as otherwise provided in section 1309.602 of the Revised Code, those provided by agreement of the parties. A secured party:

(1) May reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) If the collateral is documents, proceed either as to the documents or as to the goods they cover.

(B) A secured party in possession of collateral or control of collateral under section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the Revised Code has the rights and duties provided in section 1309.207 of the Revised Code.

(C) The rights under divisions (A) and (B) of this section are cumulative and may be exercised simultaneously.

(D) Except as otherwise provided in division (G) of this section and section 1309.605 of the Revised Code, after default, a debtor and an obligor have the rights provided in sections 1309.601 to 1309.628 of the Revised Code and by agreement of the parties.

(E) If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) The date of perfection of the security interest or agricultural lien in the collateral;

(2) The date of filing a financing statement covering the collateral; or

(3) Any date specified in a statute under which the agricultural lien was created.

(F) A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and after the sale may hold

the collateral free of any other requirements of this chapter.

(G) Except as provided in division (C) of section 1309.607 of the Revised Code, sections 1309.601 to 1309.628 of the Revised Code do not impose any duties upon a secured party who is a consignor or a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

Sec. 1310.01. (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 ~~receiving~~ 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 ~~receiving~~ 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," "good faith," "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) The terms In addition, Chapter 1301. of the Revised Code contains

general definitions and principles of construction and interpretation ~~set forth in sections 1301.01 to 1301.14 of the Revised Code~~ are applicable to sections 1310.01 to 1310.78 of the Revised Code throughout this chapter.

Sec. 1310.47. (A) Whether the lessor or the lessee is in default under a lease contract is determined by the lease agreement and sections 1310.01 to 1310.78 of the Revised Code.

(B) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement has rights and remedies as provided in sections 1310.01 to 1310.78 of the Revised Code and, except as limited by those sections, as provided in the lease agreement.

(C) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement may reduce the party's claim to judgment or otherwise enforce the lease contract by self-help or any available judicial procedure or nonjudicial procedure, including an administrative proceeding, arbitration, or the like, in accordance with sections 1310.01 to 1310.78 of the Revised Code.

(D) Except as otherwise provided in division (A) of section ~~1301.06~~ 1301.305 or sections 1310.01 to 1310.78 of the Revised Code or the lease agreement, the rights and remedies referred to in divisions (B) and (C) of this section are cumulative.

(E) If the lease agreement covers both real property and goods, the party seeking enforcement may proceed under sections 1310.47 to 1310.78 of the Revised Code as to the goods or under other applicable law as to both the real property and the goods in accordance with that party's rights and remedies in respect of the real property, in which case sections 1310.47 to 1310.78 of the Revised Code does not apply.

Sec. 1310.60. (A) In rejecting goods, a lessee's failure to state a particular defect that is ascertainable by reasonable inspection precludes the lessee from relying on the defect to justify rejection or to establish default if either of the following applies:

(1) The lessor or supplier could have cured the defect as provided in section 1310.59 of the Revised Code if the defect had been stated seasonably;

(2) Between merchants, the lessor or supplier, after the rejection of the goods, made a request in writing for a full and final written statement of all defects on which the lessee proposes to rely.

(B) A lessee's failure to reserve rights when paying rent or other consideration against documents precludes recovery of the payment for defects apparent ~~on the face of~~ in the documents.

Sec. 1310.64. (A) After a default of the type described in division (A) of

section 1310.54 of the Revised Code by a lessor under a lease contract, the lessee may cover by making any purchase or lease of or contract to purchase or lease goods in substitution for those due from the lessor.

(B) Except as otherwise provided in section 1310.50 of the Revised Code with respect to damages liquidated in the lease agreement or otherwise determined pursuant to agreement of the parties as provided in ~~division (C) of section 1301.02~~ 1301.302 and in section 1310.49 of the Revised Code, if a lessee's cover is by a 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 lessee may recover from the lessor as damages both of the following:

(1) The present value, as of the date of the commencement of the term of the new lease agreement, 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 minus the present value, as of the same date, of the total rent for the then remaining lease term of the original lease agreement;

(2) Any incidental or consequential damages, less expenses saved in consequence of the lessor's default.

(C) If a lessee's cover is by a lease agreement that for any reason does not qualify for treatment under division (B) of this section or is by purchase or otherwise, the lessee may recover from the lessor as if the lessee had elected not to cover and section 1310.65 of the Revised Code governs.

Sec. 1310.65. (A) Except as otherwise provided in section 1310.50 of the Revised Code with respect to damages liquidated in the lease agreement or as otherwise determined pursuant to the agreement of the parties as provided in ~~division (C) of section 1301.02~~ 1301.302 and section 1310.49 of the Revised Code, if a lessee elects not to cover or a lessee elects to cover and the cover is by lease agreement that for any reason does not qualify for treatment under division (B) of section 1310.64 of the Revised Code or is by purchase or otherwise, the measure of damages for nondelivery or repudiation by the lessor or for rejection or revocation of acceptance by the lessee is the present value, as of the date of the default, of the then market rent minus the present value, as of the same date, of the original rent, computed for the remaining lease term of the original lease agreement, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(B) Market rent is to be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

(C) Except as otherwise agreed, if the lessee has accepted goods and given notification as provided in division (C) of section 1310.62 of the Revised Code, the measure of damages for nonconforming tender or delivery or other default by a lessor is the loss resulting in the ordinary course of events from the lessor's default as determined in any manner that is reasonable, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(D) Except as otherwise agreed, the measure of damages for breach of warranty is the present value, at the time and place of acceptance, of the difference between the value of the use of the goods accepted and that value if they had been as warranted for the lease term, unless special circumstances show proximate damages of a different amount, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default or breach of warranty.

Sec. 1310.72. (A) A lessor may stop delivery of goods in the possession of a carrier or other bailee if the lessor discovers the lessee to be insolvent and may stop delivery of carload, truckload, planeload, or larger shipments of express or freight if the lessee repudiates or fails to make a payment due before delivery, whether for rent, security, or otherwise under the lease contract, or for any other reason the lessor has a right to withhold or take possession of the goods.

(B) In pursuing its remedies under division (A) of this section, the lessor may stop delivery until one of the following occurs:

- (1) Receipt of the goods by the lessee;
- (2) Acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee;
- (3) Such an acknowledgment to the lessee by a carrier via reshipment or as ~~warehouseman~~ warehouse.

(C)(1) To stop delivery, a lessor shall so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(2) After notification, the bailee shall hold and deliver the goods according to the directions of the lessor, but the lessor is liable to the bailee for any ensuing charges or damages.

(3) A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop that is received from a person other than the consignor.

Sec. 1310.73. (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 ~~division (C) of section 1301.02~~ 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.

Sec. 1310.74. (A) 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 the agreement of the parties as provided in ~~division (C) of section 1301.02~~ 1301.302 and section 1310.49 of the Revised Code, if a lessor elects to retain the goods or a lessor elects to

dispose of the goods and the disposition is by lease agreement that for any reason does not qualify for treatment under division (B) of section 1310.73 of the Revised Code or is by sale or otherwise, the lessor may recover from the lessee as damages for a default of the type described in division (A) or (C)(1) of section 1310.69 of the Revised Code or, if agreed, for other default of the lessee all of the following:

(1) Accrued and unpaid rent as of the date of default, if the lessee has never taken possession of the goods or, if the lessee has taken possession of the goods, as of the date the lessor repossesses the goods or an earlier date on which the lessee makes a tender of the goods to the lessor;

(2) The present value as of the date determined under division (A)(1) of this section 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 market rent at the place where the goods are located computed for the same lease term;

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

(B) If the measure of damages provided in division (A) of this section is inadequate to put a lessor in as good a position as performance would have, the measure of damages is the present value of the profit, including reasonable overhead, the lessor would have made from full performance by the lessee, together with any incidental damages allowed under section 1310.76 of the Revised Code, due allowance for costs reasonably incurred, and due credit for payments or proceeds of disposition.

Sec. 1311.57. (A) An agricultural producer or handler who perfects ~~his~~ a lien within sixty days after the date of delivery, or first delivery if there was a series of deliveries under the contract, of the agricultural product has priority over all liens, claims, or encumbrances except wage and salary claims of workers who have no ownership interest in the business of the agricultural product handler, ~~warehouseman's warehouse's~~ warehouse's liens as provided in section ~~1307.14~~ 1307.209 of the Revised Code, and amounts owed by the lienholder to the handler that are subject to setoff, and except that secured creditors who have security interests under Chapter 1309. of the Revised Code have priority over liens perfected by agricultural handlers pursuant to section 1311.56 of the Revised Code. If several liens are obtained by several persons on the same agricultural product, the person who perfects ~~his~~ such a lien first has priority over all other agricultural product lienholders.

A producer or handler who does not perfect ~~his~~ such a lien within the time period defined in this division has the status of an unsecured general creditor.

(B) The agricultural product lien remains in effect for two years after an affidavit is recorded in the office of the county recorder under section 1311.56 of the Revised Code, and within that time, until one of the following occurs:

(1) The lienholder or ~~his~~ the lienholder's secured creditor receives full payment from the agricultural product handler;

(2) At the option of the lienholder or ~~his~~ the lienholder's secured creditor, less than full payment is received pursuant to a written agreement with the handler;

(3) A final judgment is entered by a court having jurisdiction in an action adjudicating the status of the agricultural product lien.

(C) Notwithstanding division (B) of this section, an agricultural product lien shall remain in effect throughout any insolvency proceedings involving the agricultural product handler named in the affidavit.

(D) After the amount of ~~his~~ the lienholder's lien has been satisfied, a lienholder shall cause the lien to be released within thirty days.

Sec. ~~1301.21~~ 1319.02. (A) As used in this section:

(1) "Contract of indebtedness" means a note, bond, mortgage, conditional sale contract, retail installment contract, lease, security agreement, or other written evidence of indebtedness, other than indebtedness incurred for purposes that are primarily personal, family, or household.

(2) "Commitment to pay attorneys' fees" means an obligation to pay attorneys' fees that arises in connection with the enforcement of a contract of indebtedness.

(3) "Maturity of the debt" includes maturity upon default or otherwise.

(B) If a contract of indebtedness includes a commitment to pay attorneys' fees, and if the contract is enforced through judicial proceedings or otherwise after maturity of the debt, a person that has the right to recover attorneys' fees under the commitment, at the option of that person, may recover attorneys' fees in accordance with the commitment, to the extent that the commitment is enforceable under divisions (C) and (D) of this section.

(C) A commitment to pay attorneys' fees is enforceable under this section only if the total amount owed on the contract of indebtedness at the time the contract was entered into exceeds one hundred thousand dollars.

(D) A commitment to pay attorneys' fees is enforceable only to the extent that it obligates payment of a reasonable amount. In determining the amount of attorneys' fees that is reasonable, all relevant factors shall be considered, including but not limited to, the nature of the services rendered, the time expended in rendering the services, the amount of money and the

value of the property affected, and the professional skill and expertise of the attorney or attorneys rendering the services. Unless a court has been requested to make a determination of the amount of attorneys' fees that is reasonable and finds to the contrary by a preponderance of the evidence, the following are deemed reasonable amounts:

(1) If the commitment to pay attorneys' fees is based upon a specific percentage of the total principal, interest, and other charges owed on the contract of indebtedness, the percentage of the total so owed as specified in the contract of indebtedness;

(2) If the commitment to pay attorneys' fees is not based upon a specific percentage of the total principal, interest, and other charges owed on the contract of indebtedness, an amount equal to the attorneys' fees customarily charged by the attorney or attorneys rendering the services.

Sec. 1333.23. Any garment, clothing, wearing apparel, or household goods that are placed in storage and that remain in the possession of a person without the reasonable or agreed charges for the storage having been paid for twelve months, and any garment, clothing, wearing apparel, or household goods on which any of the services or labor described in section 1333.22 of the Revised Code have been performed, that subsequently have been placed in storage by agreement and that remain in the possession of a person without the reasonable or agreed charges for the services, labor, and storage having been paid for twelve months may be sold by that person to pay those charges and the costs of notifying the owner of the garment, clothing, wearing apparel, or household goods as described in this section and in section 1333.24 of the Revised Code or may be given away or otherwise disposed of by that person if ~~he~~ the person cannot sell the garment, clothing, wearing apparel, or household goods. The person to whom the charges are owed shall notify the owner of the garment, clothing, wearing apparel, or household goods of the time and place of the proposed sale or other disposition of it in accordance with section 1333.24 of the Revised Code. This section does not apply to ~~persons~~ a person operating as ~~warehouses or warehousemen~~ a warehouse as defined in section 1307.102 of the Revised Code.

Sec. ~~1301.16~~ 1333.72. No person shall sell, offer for sale, or install for use any new grain-drying equipment unless the equipment is labeled or accompanied by an operator's manual to indicate its energy usage to the prospective purchaser of the equipment. Whoever violates this section is guilty of a minor misdemeanor.

Sec. ~~1301.18~~ 1333.73. No person shall sell, offer for sale, or install for use any new central air conditioner, refrigerator, refrigerator-freezer,

freezer, kitchen range or oven, dishwasher, clothes washer, clothes dryer, furnace, water heater, room air conditioner, television set, humidifier, home heating equipment other than furnaces, or other consumer product subject to an energy efficiency standard promulgated under section 325 of the "Energy Policy and Conservation Act," 89 Stat. 923, 42 U.S.C.A. 6295, as amended, that is not in compliance with applicable standards promulgated under that section. This section does not apply to the sale, offering for sale, or installation of any such category of consumer product for which no applicable energy efficiency standard has been promulgated pursuant to such federal act. Whoever violates this section is guilty of a minor misdemeanor on a first offense, and on subsequent offenses is guilty of a misdemeanor of the first degree.

Sec. 1743.08. A company or association organized as an elevator company may purchase and hold real and personal estate; may erect, purchase, and own the necessary buildings, offices, and machinery for carrying on the business of receiving, storing, delivering, and forwarding grain of all kinds; and may add to and connect with this the business of a general storage warehousemen and warehouse or forwarders of all kinds of produce and merchandise. It shall not deal as buyer or seller on its own account or for others. In the prosecution of its business it shall be governed by the same laws, not inconsistent with this section, as govern individuals in such employment.

When such company erects or owns an elevator building, and uses it for the purpose of receiving or delivering grain from or to any railroad company, as freight carried or to be carried over any part of its railroads, such railroad company may subscribe to or purchase shares in the elevator company's capital stock, to an amount not exceeding one third of the entire capital stock of the elevator company, in the name of an officer of the railroad company, and hold it as trustee. The railroad company is liable upon such stock, in its corporate capacity, to the same extent and in the manner a natural person buying it would be.

Sec. 2307.39. (A) Except as provided in division (C) of this section, any person may bring a civil action in a court of this state against an individual, corporation, or other person who is a resident of, incorporated under the laws of, or otherwise engaged in the conduct of business in a foreign nation or a province, territory, or other political subdivision of a foreign nation, against a foreign nation, or against a province, territory, or other political subdivision of a foreign nation upon a cause of action that arises out of or relates to a contingent or other contract, agreement, or undertaking, whether or not it bears a reasonable relation to this state, if the contract, agreement,

or undertaking contains both of the following provisions:

(1) An agreement by the parties to be governed in their rights and duties under the contract, agreement, or undertaking, in whole or in part, by the law of this state;

(2) An agreement by the parties to submit to the jurisdiction of the courts of this state.

(B) The court shall not stay or dismiss a civil action brought in accordance with division (A) of this section on the ground of inconvenient forum. In the civil action, the court shall apply the law of this state as agreed upon by the parties.

(C) This section applies to a transaction covered by section ~~1301.05~~ 1301.301 of the Revised Code unless the transaction is subject to a limitation on choice of law specified in division (B) of that section. This section does not apply to a contract, agreement, or undertaking for labor or personal services or for a consumer transaction, as defined by section 1345.01 of the Revised Code.

(D) This section does not limit or deny, and shall not be construed as limiting or denying the enforcement of a provision respecting choice of law or choice of forum in a contract, agreement, or undertaking to which this section does not apply.

Sec. 2923.17. (A) No person shall knowingly acquire, have, carry, or use any dangerous ordnance.

(B) No person shall manufacture or process an explosive at any location in this state unless the person first has been issued a license, certificate of registration, or permit to do so from a fire official of a political subdivision of this state or from the office of the fire marshal.

(C) Division (A) of this section does not apply to:

(1) Officers, agents, or employees of this or any other state or the United States, members of the armed forces of the United States or the organized militia of this or any other state, and law enforcement officers, to the extent that any such person is authorized to acquire, have, carry, or use dangerous ordnance and is acting within the scope of the person's duties;

(2) Importers, manufacturers, dealers, and users of explosives, having a license or user permit issued and in effect pursuant to the "Organized Crime Control Act of 1970," 84 Stat. 952, 18 U.S.C. 843, and any amendments or additions thereto or reenactments thereof, with respect to explosives and explosive devices lawfully acquired, possessed, carried, or used under the laws of this state and applicable federal law;

(3) Importers, manufacturers, and dealers having a license to deal in destructive devices or their ammunition, issued and in effect pursuant to the

"Gun Control Act of 1968," 82 Stat. 1213, 18 U.S.C. 923, and any amendments or additions thereto or reenactments thereof, with respect to dangerous ordnance lawfully acquired, possessed, carried, or used under the laws of this state and applicable federal law;

(4) Persons to whom surplus ordnance has been sold, loaned, or given by the secretary of the army pursuant to 70A Stat. 262 and 263, 10 U.S.C. 4684, 4685, and 4686, and any amendments or additions thereto or reenactments thereof, with respect to dangerous ordnance when lawfully possessed and used for the purposes specified in such section;

(5) Owners of dangerous ordnance registered in the national firearms registration and transfer record pursuant to the act of October 22, 1968, 82 Stat. 1229, 26 U.S.C. 5841, and any amendments or additions thereto or reenactments thereof, and regulations issued thereunder.

(6) Carriers, ~~warehousemen~~ warehouses, and others engaged in the business of transporting or storing goods for hire, with respect to dangerous ordnance lawfully transported or stored in the usual course of their business and in compliance with the laws of this state and applicable federal law;

(7) The holders of a license or temporary permit issued and in effect pursuant to section 2923.18 of the Revised Code, with respect to dangerous ordnance lawfully acquired, possessed, carried, or used for the purposes and in the manner specified in such license or permit.

(D) Whoever violates division (A) of this section is guilty of unlawful possession of dangerous ordnance, a felony of the fifth degree.

(E) Whoever violates division (B) of this section is guilty of illegally manufacturing or processing explosives, a felony of the second degree.

Sec. 2981.01. (A) Forfeitures under this chapter shall be governed by all of the following purposes:

(1) To provide economic disincentives and remedies to deter and offset the economic effect of offenses by seizing and forfeiting contraband, proceeds, and certain instrumentalities;

(2) To ensure that seizures and forfeitures of instrumentalities are proportionate to the offense committed;

(3) To protect third parties from wrongful forfeiture of their property;

(4) To prioritize restitution for victims of offenses.

(B) As used in this chapter:

(1) "Aircraft" has the same meaning as in section 4561.01 of the Revised Code.

(2) "Computers," "computer networks," "computer systems," "computer software," and "telecommunications device" have the same meanings as in section 2913.01 of the Revised Code.

(3) "Financial institution" means a bank, credit union, savings and loan association, or a licensee or registrant under Chapter 1321. of the Revised Code.

(4) "Firearm" and "dangerous ordnance" have the same meanings as in section 2923.11 of the Revised Code.

(5) "Innocent person" includes any bona fide purchaser of property that is subject to forfeiture, including any person who establishes a valid claim to or interest in the property in accordance with section 2923.04 of the Revised Code, and any victim of an alleged offense.

(6) "Instrumentality" means property otherwise lawful to possess that is used in or intended to be used in an offense. An "instrumentality" may include, but is not limited to, a firearm, a mobile instrumentality, a computer, a computer network, a computer system, computer software, a telecommunications device, money, and any other means of exchange.

(7) "Law enforcement agency" includes, but is not limited to, the state board of pharmacy, the enforcement division of the department of taxation, and the office of the prosecutor.

(8) "Mobile instrumentality" means an instrumentality that is inherently mobile and used in the routine transport of persons. "Mobile instrumentality" includes, but is not limited to, any vehicle, any watercraft, and any aircraft.

(9) "Money" has the same meaning as in section ~~1301.01~~ 1301.201 of the Revised Code.

(10) "Offense" means any act or omission that could be charged as a criminal offense or a delinquent act, whether or not a formal criminal prosecution or delinquent child proceeding began at the time the forfeiture is initiated. Except as otherwise specified, an offense for which property may be forfeited includes any felony and any misdemeanor. The commission of an "offense" includes the commission of a delinquent act.

(11) "Proceeds" means both of the following:

(a) In cases involving unlawful goods, services, or activities, "proceeds" means any property derived directly or indirectly from an offense. "Proceeds" may include, but is not limited to, money or any other means of exchange. "Proceeds" is not limited to the net gain or profit realized from the offense.

(b) In cases involving lawful goods or services that are sold or provided in an unlawful manner, "proceeds" means the amount of money or other means of exchange acquired through the illegal transactions resulting in the forfeiture, less the direct costs lawfully incurred in providing the goods or services. The lawful costs deduction does not include any part of the

overhead expenses of, or income taxes paid by, the entity providing the goods or services. The alleged offender or delinquent child has the burden to prove that any costs are lawfully incurred.

(12) "Property" means "property" as defined in section 2901.01 of the Revised Code and any benefit, privilege, claim, position, interest in an enterprise, or right derived, directly or indirectly, from the offense.

(13) "Property subject to forfeiture" includes contraband and proceeds and may include instrumentalities as provided in this chapter.

(14) "Prosecutor" has the same meaning as in section 2935.01 of the Revised Code. When relevant, "prosecutor" also includes the attorney general.

(15) "Vehicle" has the same meaning as in section 4501.01 of the Revised Code.

(16) "Watercraft" has the same meaning as in section 1547.01 of the Revised Code.

(C) The penalties and procedures under Chapters 2923., 2925., and 2933. of the Revised Code remain in effect to the extent that they do not conflict with this chapter.

Sec. 3719.14. (A) A common carrier or ~~warehouse~~ warehouse while engaged in lawfully transporting or storing any controlled substance or an employee of a common carrier or ~~warehouse~~ warehouse of that nature who is acting within the scope of the employee's employment may control and possess any controlled substance.

(B) Any law enforcement official may purchase, collect, or possess any controlled substance or may offer to sell any controlled substance, or any counterfeit controlled substance as defined in section 2925.01 of the Revised Code, when the purchase, collection, possession, or offer to sell is necessary to do so in the performance of the official's official duties. This division does not permit a law enforcement official to sell any controlled substance in the performance of the official's official duties. A peace officer, as defined in section 3719.141 of the Revised Code, may sell a controlled substance in the performance of the officer's official duties only as provided in that section.

(C) Any employee or agent of a person who is entitled to possession of a controlled substance or whose possession of a controlled substance is for the purpose of aiding any law enforcement official in the official's official duties temporarily may possess any controlled substance.

Sec. 3767.29. No person shall abandon, discard, or knowingly permit to remain on premises under ~~his~~ the person's control, in a place accessible to children, any abandoned or discarded icebox, refrigerator, or other airtight

or semi-airtight container which has a capacity of one and one-half cubic feet or more and an opening of fifty square inches or more and which has a door or lid equipped with hinge, latch, or other fastening device capable of securing such door or lid, without rendering said equipment harmless to human life by removing such hinges, latches, or other hardware which may cause a person to be confined therein. This section shall not apply to an icebox, refrigerator, or other airtight or semi-airtight container located in that part of a building occupied by a dealer, ~~warehouseman~~ warehouse, or ~~repairman~~ repairer.

Sec. 4517.01. As used in sections 4517.01 to 4517.65 of the Revised Code:

(A) "Persons" includes individuals, firms, partnerships, associations, joint stock companies, corporations, and any combinations of individuals.

(B) "Motor vehicle" means motor vehicle as defined in section 4501.01 of the Revised Code and also includes "all-purpose vehicle" and "off-highway motorcycle" as those terms are defined in section 4519.01 of the Revised Code. "Motor vehicle" does not include a snowmobile as defined in section 4519.01 of the Revised Code or manufactured and mobile homes.

(C) "New motor vehicle" means a motor vehicle, the legal title to which has never been transferred by a manufacturer, remanufacturer, distributor, or dealer to an ultimate purchaser.

(D) "Ultimate purchaser" means, with respect to any new motor vehicle, the first person, other than a dealer purchasing in the capacity of a dealer, who in good faith purchases such new motor vehicle for purposes other than resale.

(E) "Business" includes any activities engaged in by any person for the object of gain, benefit, or advantage either direct or indirect.

(F) "Engaging in business" means commencing, conducting, or continuing in business, or liquidating a business when the liquidator thereof holds self out to be conducting such business; making a casual sale or otherwise making transfers in the ordinary course of business when the transfers are made in connection with the disposition of all or substantially all of the transferor's assets is not engaging in business.

(G) "Retail sale" or "sale at retail" means the act or attempted act of selling, bartering, exchanging, or otherwise disposing of a motor vehicle to an ultimate purchaser for use as a consumer.

(H) "Retail installment contract" includes any contract in the form of a note, chattel mortgage, conditional sales contract, lease, agreement, or other instrument payable in one or more installments over a period of time and

arising out of the retail sale of a motor vehicle.

(I) "Farm machinery" means all machines and tools used in the production, harvesting, and care of farm products.

(J) "Dealer" or "motor vehicle dealer" means any new motor vehicle dealer, any motor vehicle leasing dealer, and any used motor vehicle dealer.

(K) "New motor vehicle dealer" means any person engaged in the business of selling at retail, displaying, offering for sale, or dealing in new motor vehicles pursuant to a contract or agreement entered into with the manufacturer, remanufacturer, or distributor of the motor vehicles.

(L) "Used motor vehicle dealer" means any person engaged in the business of selling, displaying, offering for sale, or dealing in used motor vehicles, at retail or wholesale, but does not mean any new motor vehicle dealer selling, displaying, offering for sale, or dealing in used motor vehicles incidentally to engaging in the business of selling, displaying, offering for sale, or dealing in new motor vehicles, any person engaged in the business of dismantling, salvaging, or rebuilding motor vehicles by means of using used parts, or any public officer performing official duties.

(M) "Motor vehicle leasing dealer" means any person engaged in the business of regularly making available, offering to make available, or arranging for another person to use a motor vehicle pursuant to a bailment, lease, sublease, or other contractual arrangement under which a charge is made for its use at a periodic rate for a term of thirty days or more, and title to the motor vehicle is in and remains in the motor vehicle leasing dealer who originally leases it, irrespective of whether or not the motor vehicle is the subject of a later sublease, and not in the user, but does not mean a manufacturer or its affiliate leasing to its employees or to dealers.

(N) "Salesperson" means any person employed by a dealer or manufactured home broker to sell, display, and offer for sale, or deal in motor vehicles for a commission, compensation, or other valuable consideration, but does not mean any public officer performing official duties.

(O) "Casual sale" means any transfer of a motor vehicle by a person other than a new motor vehicle dealer, used motor vehicle dealer, motor vehicle salvage dealer, as defined in division (A) of section 4738.01 of the Revised Code, salesperson, motor vehicle auction owner, manufacturer, or distributor acting in the capacity of a dealer, salesperson, auction owner, manufacturer, or distributor, to a person who purchases the motor vehicle for use as a consumer.

(P) "Motor vehicle show" means a display of current models of motor vehicles whereby the primary purpose is the exhibition of competitive

makes and models in order to provide the general public the opportunity to review and inspect various makes and models of motor vehicles at a single location.

(Q) "Motor vehicle auction owner" means any person who is engaged wholly or in part in the business of auctioning motor vehicles.

(R) "Manufacturer" means a person who manufactures, assembles, or imports motor vehicles, including motor homes, but does not mean a person who only assembles or installs a body, special equipment unit, finishing trim, or accessories on a motor vehicle chassis supplied by a manufacturer or distributor.

(S) "Tent-type fold-out camping trailer" means any vehicle intended to be used, when stationary, as a temporary shelter with living and sleeping facilities, and that is subject to the following properties and limitations:

(1) A minimum of twenty-five per cent of the fold-out portion of the top and sidewalls combined must be constructed of canvas, vinyl, or other fabric, and form an integral part of the shelter.

(2) When folded, the unit must not exceed:

(a) Fifteen feet in length, exclusive of bumper and tongue;

(b) Sixty inches in height from the point of contact with the ground;

(c) Eight feet in width;

(d) One ton gross weight at time of sale.

(T) "Distributor" means any person authorized by a motor vehicle manufacturer to distribute new motor vehicles to licensed new motor vehicle dealers, but does not mean a person who only assembles or installs a body, special equipment unit, finishing trim, or accessories on a motor vehicle chassis supplied by a manufacturer or distributor.

(U) "Flea market" means a market place, other than a dealer's location licensed under this chapter, where a space or location is provided for a fee or compensation to a seller to exhibit and offer for sale or trade, motor vehicles to the general public.

(V) "Franchise" means any written agreement, contract, or understanding between any motor vehicle manufacturer or remanufacturer engaged in commerce and any motor vehicle dealer that purports to fix the legal rights and liabilities of the parties to such agreement, contract, or understanding.

(W) "Franchisee" means a person who receives new motor vehicles from the franchisor under a franchise agreement and who offers, sells, and provides service for such new motor vehicles to the general public.

(X) "Franchisor" means a new motor vehicle manufacturer, remanufacturer, or distributor who supplies new motor vehicles under a

franchise agreement to a franchisee.

(Y) "Dealer organization" means a state or local trade association the membership of which is comprised predominantly of new motor vehicle dealers.

(Z) "Factory representative" means a representative employed by a manufacturer, remanufacturer, or by a factory branch primarily for the purpose of promoting the sale of its motor vehicles, parts, or accessories to dealers or for supervising or contacting its dealers or prospective dealers.

(AA) "Administrative or executive management" means those individuals who are not subject to federal wage and hour laws.

(BB) "Good faith" means honesty in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing in the trade as is defined in ~~division (S) of section 1301.01~~ 1301.201 of the Revised Code, including, but not limited to, the duty to act in a fair and equitable manner so as to guarantee freedom from coercion, intimidation, or threats of coercion or intimidation; provided however, that recommendation, endorsement, exposition, persuasion, urging, or argument shall not be considered to constitute a lack of good faith.

(CC) "Coerce" means to compel or attempt to compel by failing to act in good faith or by threat of economic harm, breach of contract, or other adverse consequences. Coerce does not mean to argue, urge, recommend, or persuade.

(DD) "Relevant market area" means any area within a radius of ten miles from the site of a potential new dealership, except that for manufactured home or recreational vehicle dealerships the radius shall be twenty-five miles. The ten-mile radius shall be measured from the dealer's established place of business that is used exclusively for the purpose of selling, displaying, offering for sale, or dealing in motor vehicles.

(EE) "Wholesale" or "at wholesale" means the act or attempted act of selling, bartering, exchanging, or otherwise disposing of a motor vehicle to a transferee for the purpose of resale and not for ultimate consumption by that transferee.

(FF) "Motor vehicle wholesaler" means any person licensed as a dealer under the laws of another state and engaged in the business of selling, displaying, or offering for sale used motor vehicles, at wholesale, but does not mean any motor vehicle dealer as defined in this section.

(GG)(1) "Remanufacturer" means a person who assembles or installs passenger seating, walls, a roof elevation, or a body extension on a conversion van with the motor vehicle chassis supplied by a manufacturer or distributor, a person who modifies a truck chassis supplied by a

manufacturer or distributor for use as a public safety or public service vehicle, a person who modifies a motor vehicle chassis supplied by a manufacturer or distributor for use as a limousine or hearse, or a person who modifies an incomplete motor vehicle cab and chassis supplied by a new motor vehicle dealer or distributor for use as a tow truck, but does not mean either of the following:

(a) A person who assembles or installs passenger seating, a roof elevation, or a body extension on a recreational vehicle as defined in division (Q) and referred to in division (B) of section 4501.01 of the Revised Code;

(b) A person who assembles or installs special equipment or accessories for handicapped persons, as defined in section 4503.44 of the Revised Code, upon a motor vehicle chassis supplied by a manufacturer or distributor.

(2) For the purposes of division (GG)(1) of this section, "public safety vehicle or public service vehicle" means a fire truck, ambulance, school bus, street sweeper, garbage packing truck, or cement mixer, or a mobile self-contained facility vehicle.

(3) For the purposes of division (GG)(1) of this section, "limousine" means a motor vehicle, designed only for the purpose of carrying nine or fewer passengers, that a person modifies by cutting the original chassis, lengthening the wheelbase by forty inches or more, and reinforcing the chassis in such a way that all modifications comply with all applicable federal motor vehicle safety standards. No person shall qualify as or be deemed to be a remanufacturer who produces limousines unless the person has a written agreement with the manufacturer of the chassis the person utilizes to produce the limousines to complete properly the remanufacture of the chassis into limousines.

(4) For the purposes of division (GG)(1) of this section, "hearse" means a motor vehicle, designed only for the purpose of transporting a single casket, that is equipped with a compartment designed specifically to carry a single casket that a person modifies by cutting the original chassis, lengthening the wheelbase by ten inches or more, and reinforcing the chassis in such a way that all modifications comply with all applicable federal motor vehicle safety standards. No person shall qualify as or be deemed to be a remanufacturer who produces hearses unless the person has a written agreement with the manufacturer of the chassis the person utilizes to produce the hearses to complete properly the remanufacture of the chassis into hearses.

(5) For the purposes of division (GG)(1) of this section, "mobile self-contained facility vehicle" means a mobile classroom vehicle, mobile

laboratory vehicle, bookmobile, bloodmobile, testing laboratory, and mobile display vehicle, each of which is designed for purposes other than for passenger transportation and other than the transportation or displacement of cargo, freight, materials, or merchandise. A vehicle is remanufactured into a mobile self-contained facility vehicle in part by the addition of insulation to the body shell, and installation of all of the following: a generator, electrical wiring, plumbing, holding tanks, doors, windows, cabinets, shelving, and heating, ventilating, and air conditioning systems.

(6) For the purposes of division (GG)(1) of this section, "tow truck" means both of the following:

(a) An incomplete cab and chassis that are purchased by a remanufacturer from a new motor vehicle dealer or distributor of the cab and chassis and on which the remanufacturer then installs in a permanent manner a wrecker body it purchases from a manufacturer or distributor of wrecker bodies, installs an emergency flashing light pylon and emergency lights upon the mast of the wrecker body or rooftop, and installs such other related accessories and equipment, including push bumpers, front grille guards with pads and other custom-ordered items such as painting, special lettering, and safety striping so as to create a complete motor vehicle capable of lifting and towing another motor vehicle.

(b) An incomplete cab and chassis that are purchased by a remanufacturer from a new motor vehicle dealer or distributor of the cab and chassis and on which the remanufacturer then installs in a permanent manner a car carrier body it purchases from a manufacturer or distributor of car carrier bodies, installs an emergency flashing light pylon and emergency lights upon the rooftop, and installs such other related accessories and equipment, including push bumpers, front grille guards with pads and other custom-ordered items such as painting, special lettering, and safety striping.

As used in division (GG)(6)(b) of this section, "car carrier body" means a mechanical or hydraulic apparatus capable of lifting and holding a motor vehicle on a flat level surface so that one or more motor vehicles can be transported, once the car carrier is permanently installed upon an incomplete cab and chassis.

(HH) "Operating as a new motor vehicle dealership" means engaging in activities such as displaying, offering for sale, and selling new motor vehicles at retail, operating a service facility to perform repairs and maintenance on motor vehicles, offering for sale and selling motor vehicle parts at retail, and conducting all other acts that are usual and customary to the operation of a new motor vehicle dealership. For the purposes of this chapter only, possession of either a valid new motor vehicle dealer franchise

agreement or a new motor vehicle dealers license, or both of these items, is not evidence that a person is operating as a new motor vehicle dealership.

(II) "Outdoor power equipment" means garden and small utility tractors, walk-behind and riding mowers, chainsaws, and tillers.

(JJ) "Remote service facility" means premises that are separate from a licensed new motor vehicle dealer's sales facility by not more than one mile and that are used by the dealer to perform repairs, warranty work, recall work, and maintenance on motor vehicles pursuant to a franchise agreement entered into with a manufacturer of motor vehicles. A remote service facility shall be deemed to be part of the franchise agreement and is subject to all the rights, duties, obligations, and requirements of Chapter 4517. of the Revised Code that relate to the performance of motor vehicle repairs, warranty work, recall work, and maintenance work by new motor vehicle dealers.

(KK) "Recreational vehicle" has the same meaning as in section 4501.01 of the Revised Code.

Sec. 4729.51. (A) No person other than a registered wholesale distributor of dangerous drugs shall possess for sale, sell, distribute, or deliver, at wholesale, dangerous drugs, except as follows:

(1) A pharmacist who is a licensed terminal distributor of dangerous drugs or who is employed by a licensed terminal distributor of dangerous drugs may make occasional sales of dangerous drugs at wholesale;

(2) A licensed terminal distributor of dangerous drugs having more than one establishment or place may transfer or deliver dangerous drugs from one establishment or place for which a license has been issued to the terminal distributor to another establishment or place for which a license has been issued to the terminal distributor if the license issued for each establishment or place is in effect at the time of the transfer or delivery.

(B)(1) No registered wholesale distributor of dangerous drugs shall possess for sale, or sell, at wholesale, dangerous drugs to any person other than the following:

(a) A licensed health professional authorized to prescribe drugs;

(b) An optometrist licensed under Chapter 4725. of the Revised Code who holds a topical ocular pharmaceutical agents certificate;

(c) A registered wholesale distributor of dangerous drugs;

(d) A manufacturer of dangerous drugs;

(e) A licensed terminal distributor of dangerous drugs, subject to division (B)(2) of this section;

(f) Carriers or ~~warehouse~~ warehouses for the purpose of carriage or storage;

(g) Terminal or wholesale distributors of dangerous drugs who are not engaged in the sale of dangerous drugs within this state;

(h) An individual who holds a current license, certificate, or registration issued under Title 47 of the Revised Code and has been certified to conduct diabetes education by a national certifying body specified in rules adopted by the state board of pharmacy under section 4729.68 of the Revised Code, but only with respect to insulin that will be used for the purpose of diabetes education and only if diabetes education is within the individual's scope of practice under statutes and rules regulating the individual's profession;

(i) An individual who holds a valid certificate issued by a nationally recognized S.C.U.B.A. diving certifying organization approved by the pharmacy board in rule, but only with respect to medical oxygen that will be used for the purpose of emergency care or treatment at the scene of a diving emergency;

(j) A business entity that is a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. of the Revised Code, or a professional association formed under Chapter 1785. of the Revised Code if the entity has a sole shareholder who is a licensed health professional authorized to prescribe drugs and is authorized to provide the professional services being offered by the entity;

(k) A business entity that is a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. of the Revised Code, a partnership or a limited liability partnership formed under Chapter 1775. of the Revised Code, or a professional association formed under Chapter 1785. of the Revised Code, if, to be a shareholder, member, or partner, an individual is required to be licensed, certified, or otherwise legally authorized under Title XLVII of the Revised Code to perform the professional service provided by the entity and each such individual is a licensed health professional authorized to prescribe drugs.

(2) No registered wholesale distributor of dangerous drugs shall possess dangerous drugs for sale at wholesale, or sell such drugs at wholesale, to a licensed terminal distributor of dangerous drugs, except to:

(a) A terminal distributor who has a category I license, only dangerous drugs described in category I, as defined in division (A)(1) of section 4729.54 of the Revised Code;

(b) A terminal distributor who has a category II license, only dangerous drugs described in category I and category II, as defined in divisions (A)(1) and (2) of section 4729.54 of the Revised Code;

(c) A terminal distributor who has a category III license, dangerous drugs described in category I, category II, and category III, as defined in divisions (A)(1), (2), and (3) of section 4729.54 of the Revised Code;

(d) A terminal distributor who has a limited category I, II, or III license, only the dangerous drugs specified in the certificate furnished by the terminal distributor in accordance with section 4729.60 of the Revised Code.

(C)(1) Except as provided in division (C)(4) of this section, no person shall sell, at retail, dangerous drugs.

(2) Except as provided in division (C)(4) of this section, no person shall possess for sale, at retail, dangerous drugs.

(3) Except as provided in division (C)(4) of this section, no person shall possess dangerous drugs.

(4) Divisions (C)(1), (2), and (3) of this section do not apply to a registered wholesale distributor of dangerous drugs, a licensed terminal distributor of dangerous drugs, or a person who possesses, or possesses for sale or sells, at retail, a dangerous drug in accordance with Chapters 3719., 4715., 4723., 4725., 4729., 4730., 4731., and 4741. of the Revised Code.

Divisions (C)(1), (2), and (3) of this section do not apply to an individual who holds a current license, certificate, or registration issued under Title XLVII of the Revised Code and has been certified to conduct diabetes education by a national certifying body specified in rules adopted by the state board of pharmacy under section 4729.68 of the Revised Code, but only to the extent that the individual possesses insulin or personally supplies insulin solely for the purpose of diabetes education and only if diabetes education is within the individual's scope of practice under statutes and rules regulating the individual's profession.

Divisions (C)(1), (2), and (3) of this section do not apply to an individual who holds a valid certificate issued by a nationally recognized S.C.U.B.A. diving certifying organization approved by the pharmacy board in rule, but only to the extent that the individual possesses medical oxygen or personally supplies medical oxygen for the purpose of emergency care or treatment at the scene of a diving emergency.

(D) No licensed terminal distributor of dangerous drugs shall purchase for the purpose of resale dangerous drugs from any person other than a registered wholesale distributor of dangerous drugs, except as follows:

(1) A licensed terminal distributor of dangerous drugs may make occasional purchases of dangerous drugs for resale from a pharmacist who is a licensed terminal distributor of dangerous drugs or who is employed by a licensed terminal distributor of dangerous drugs;

(2) A licensed terminal distributor of dangerous drugs having more than one establishment or place may transfer or receive dangerous drugs from one establishment or place for which a license has been issued to the terminal distributor to another establishment or place for which a license has been issued to the terminal distributor if the license issued for each establishment or place is in effect at the time of the transfer or receipt.

(E) No licensed terminal distributor of dangerous drugs shall engage in the sale or other distribution of dangerous drugs at retail or maintain possession, custody, or control of dangerous drugs for any purpose other than the distributor's personal use or consumption, at any establishment or place other than that or those described in the license issued by the board of pharmacy to such terminal distributor.

(F) Nothing in this section shall be construed to interfere with the performance of official duties by any law enforcement official authorized by municipal, county, state, or federal law to collect samples of any drug, regardless of its nature or in whose possession it may be.

Sec. 5322.01. As used in sections 5322.01 to 5322.05 of the Revised Code:

(A) "Self-service storage facility" means any real property that is designed and used only for the purpose of renting or leasing individual storage space in the facility under the following conditions:

(1) The occupants have access to the storage space only for the purpose of storing and removing personal property;

(2) The owner does not issue a warehouse receipt, bill of lading, or other document of title, as defined in ~~division (E) of section 1301.01~~ section 1301.201 of the Revised Code, for the personal property stored in the storage space;

(3) The property has fifty or more individual storage spaces.

"Self-service storage facility" does not include any garage used principally for parking motor vehicles, an establishment licensed pursuant to sections 915.14 to 915.24 of the Revised Code, or any property of a bank or savings and loan association that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the bank's or savings and loan association's customers.

(B) "Owner" means a person that is either the owner of a self-service storage facility or the lessor of an entire self-service storage facility and that receives rent from an occupant pursuant to a rental agreement that the person enters into with the occupant.

(C) "Occupant" means a person that rents storage space at a self-service storage facility pursuant to a rental agreement that the person enters into with the owner.

(D) "Rental agreement" means any written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

(E) "Personal property" means money and every animate or inanimate tangible thing that is the subject of ownership, except anything forming part of a parcel of real estate, as defined in section 5701.02 of the Revised Code, and except anything that is an agricultural commodity, as defined in division (A) of section 926.01 of the Revised Code.

(F) "Late fee" means any fee or charge assessed for an occupant's failure to pay rent when due. "Late fee" does not include interest on a debt, reasonable expenses incurred in the collection of unpaid rent, or costs associated with the enforcement of any other remedy provided by statute or contract.

SECTION 2. That existing sections 1.01, 926.24, 926.26, 1301.01, 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 1301.09, 1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1301.16, 1301.18, 1301.21, 1302.01, 1302.05, 1302.23, 1302.36, 1302.42, 1302.44, 1302.47, 1302.49, 1302.50, 1302.53, 1302.63, 1302.79, 1303.01, 1304.01, 1304.20, 1304.51, 1304.53, 1304.59, 1305.02, 1306.02, 1306.15, 1307.01, 1307.02, 1307.04, 1307.06, 1307.07, 1307.08, 1307.09, 1307.10, 1307.11, 1307.12, 1307.13, 1307.14, 1307.15, 1307.16, 1307.17, 1307.18, 1307.19, 1307.20, 1307.21, 1307.22, 1307.23, 1307.24, 1307.25, 1307.26, 1307.27, 1307.28, 1307.29, 1307.30, 1307.31, 1307.32, 1307.33, 1307.34, 1307.35, 1307.36, 1307.37, 1307.38, 1307.39, 1307.40, 1308.01, 1308.02, 1309.102, 1309.203, 1309.207, 1309.208, 1309.301, 1309.310, 1309.312, 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, 1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 1310.65, 1310.72, 1310.73, 1310.74, 1311.57, 1333.23, 1743.08, 2307.39, 2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01 and sections 1301.03, 1301.12, 1302.11, 1307.03, 1307.05, and 1310.14 of the Revised Code are hereby repealed.

SECTION 3. This act applies to transactions entered into on or after the effective date of this act.

Am. H. B. No. 9

129th G.A.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. H. B. No. 9

129th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____