

(II) IF IT DOES REQUIRE DELIVERY 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 LESSEE WHEN THE GOODS ARE THERE DULY SO TENDERED AS TO ENABLE THE LESSEE TO TAKE DELIVERY.

(B) IF THE GOODS ARE HELD BY A BAILEE TO BE DELIVERED WITHOUT BEING MOVED, THE RISK OF LOSS PASSES TO THE LESSEE ON ACKNOWLEDGMENT BY THE BAILEE OF THE LESSEE'S RIGHT TO POSSESSION OF THE GOODS.

(C) IN ANY CASE NOT WITHIN SUBSECTION (A) OR (B), THE RISK OF LOSS PASSES TO THE LESSEE ON THE LESSEE'S RECEIPT OF THE GOODS IF THE LESSOR, OR, IN THE CASE OF A FINANCE LEASE, THE SUPPLIER, IS A MERCHANT; OTHERWISE THE RISK PASSES TO THE LESSEE ON TENDER OF DELIVERY.

#### 2A-220. EFFECT OF DEFAULT ON RISK OF LOSS

(1) WHERE RISK OF LOSS IS TO PASS TO THE LESSEE AND THE TIME OF PASSAGE IS NOT STATED:

(A) IF A TENDER OR DELIVERY OF GOODS SO FAILS TO CONFORM TO THE LEASE CONTRACT AS TO GIVE A RIGHT OF REJECTION, THE RISK OF THEIR LOSS REMAINS WITH THE LESSOR, OR, IN THE CASE OF A FINANCE LEASE, THE SUPPLIER, UNTIL CURE OR ACCEPTANCE.

(B) IF THE LESSEE RIGHTFULLY REVOKES ACCEPTANCE, HE (OR SHE) TO THE EXTENT OF ANY DEFICIENCY OF HIS (OR HER) EFFECTIVE INSURANCE COVERAGE, MAY TREAT THE RISK OF LOSS AS HAVING REMAINED WITH THE LESSOR FROM THE BEGINNING.

(2) WHETHER OR NOT RISK OF LOSS IS TO PASS TO THE LESSEE, IF THE LESSEE AS TO CONFORMING GOODS ALREADY IDENTIFIED TO A LEASE CONTRACT REPUDIATES OR IS OTHERWISE IN DEFAULT UNDER THE LEASE CONTRACT, THE LESSOR, OR, IN THE CASE OF A FINANCE LEASE, THE SUPPLIER, TO THE EXTENT OF ANY DEFICIENCY IN HIS (OR HER) EFFECTIVE INSURANCE COVERAGE MAY TREAT THE RISK OF LOSS AS RESTING ON THE LESSEE FOR A COMMERCIALLY REASONABLE TIME.

#### 2A-221. CASUALTY TO IDENTIFIED GOODS

IF A LEASE CONTRACT REQUIRES GOODS IDENTIFIED WHEN THE LEASE CONTRACT IS MADE, AND THE GOODS SUFFER CASUALTY WITHOUT FAULT OF THE LESSEE, THE LESSOR OR THE SUPPLIER BEFORE DELIVERY, OR THE GOODS SUFFER CASUALTY BEFORE RISK OF LOSS PASSES TO THE LESSEE PURSUANT TO THE LEASE AGREEMENT OR § 2A-219, THEN:

(A) IF THE LOSS IS TOTAL, THE LEASE CONTRACT IS AVOIDED; AND

(B) IF THE LOSS IS PARTIAL OR THE GOODS HAVE SO DETERIORATED AS TO NO LONGER CONFORM TO THE LEASE CONTRACT, THE LESSEE MAY NEVERTHELESS DEMAND INSPECTION AND AT HIS (OR HER) OPTION EITHER TREAT THE LEASE CONTRACT AS AVOIDED OR, EXCEPT IN A FINANCE LEASE, ACCEPT THE