

(1) SUBJECT TO THE PROVISIONS OF § 2A-510 ON DEFAULT IN INSTALLMENT LEASE CONTRACTS, IF THE GOODS OR THE TENDER OR DELIVERY FAIL IN ANY RESPECT TO CONFORM TO THE LEASE CONTRACT, THE LESSEE MAY REJECT OR ACCEPT THE GOODS OR ACCEPT ANY COMMERCIAL UNIT OR UNITS AND REJECT THE REST OF THE GOODS.

(2) REJECTION OF GOODS IS INEFFECTIVE UNLESS IT IS WITHIN A REASONABLE TIME AFTER TENDER OR DELIVERY OF THE GOODS AND THE LESSEE SEASONABLY NOTIFIES THE LESSOR.

2A-510. INSTALLMENT LEASE CONTRACTS REJECTION AND DEFAULT

(1) UNDER AN INSTALLMENT LEASE AGREEMENT, A LESSEE MAY REJECT ANY DELIVERY THAT IS NONCONFORMING IF THE NONCONFORMITY SUBSTANTIALLY IMPAIRS THE VALUE OF THAT DELIVERY AND CANNOT BE CURED OR THE NONCONFORMITY IS A DEFECT IN THE REQUIRED DOCUMENTS; BUT IF THE NONCONFORMITY DOES NOT FALL WITHIN SUBSECTION (2) AND THE LESSOR OR THE SUPPLIER GIVES ADEQUATE ASSURANCE OF ITS CURE, THE LESSEE MUST ACCEPT THAT DELIVERY.

(2) WHENEVER NONCONFORMITY OR DEFAULT WITH RESPECT TO ONE OR MORE DELIVERIES SUBSTANTIALLY IMPAIRS THE VALUE OF THE INSTALLMENT LEASE CONTRACT AS A WHOLE THERE IS A DEFAULT WITH RESPECT TO THE WHOLE. BUT, THE AGGRIEVED PARTY REINSTATES THE INSTALLMENT LEASE CONTRACT AS A WHOLE IF THE AGGRIEVED PARTY ACCEPTS A NONCONFORMING DELIVERY WITHOUT SEASONABLY NOTIFYING OF CANCELLATION OR BRINGS AN ACTION WITH RESPECT ONLY TO PAST DELIVERIES OR DEMANDS PERFORMANCE AS TO FUTURE DELIVERIES.

2A-511. MERCHANT LESSEE'S DUTIES AS TO RIGHTFULLY REJECTED GOODS

(1) IF A LESSOR OR A SUPPLIER HAS NO AGENT OR PLACE OF BUSINESS AT THE MARKET OF REJECTION, A MERCHANT LESSEE, AFTER REJECTION OF GOODS IN HIS (OR HER) POSSESSION OR CONTROL, SHALL FOLLOW ANY REASONABLE INSTRUCTIONS RECEIVED FROM THE LESSOR OR THE SUPPLIER WITH RESPECT TO THE GOODS. IN THE ABSENCE OF THOSE INSTRUCTIONS, A MERCHANT LESSEE SHALL MAKE REASONABLE EFFORTS TO SELL, LEASE, OR OTHERWISE DISPOSE OF THE GOODS FOR THE LESSOR'S ACCOUNT IF THEY THREATEN TO DECLINE IN VALUE SPEEDILY. INSTRUCTIONS ARE NOT REASONABLE IF ON DEMAND INDEMNITY FOR EXPENSES IS NOT FORTHCOMING.

(2) IF A MERCHANT LESSEE (SUBSECTION (1)) OR ANY OTHER LESSEE (§ 2A-512 OF THIS SUBTITLE) DISPOSES OF GOODS, HE (OR SHE) IS ENTITLED TO REIMBURSEMENT EITHER FROM THE LESSOR OR THE SUPPLIER OR OUT OF THE PROCEEDS FOR REASONABLE EXPENSES OF CARING FOR AND DISPOSING OF THE GOODS AND, IF THE EXPENSES INCLUDE NO DISPOSITION COMMISSION, TO SUCH COMMISSION AS IS USUAL IN THE TRADE OR, IF THERE IS NONE, TO A REASONABLE SUM NOT EXCEEDING 10 PERCENT OF THE GROSS PROCEEDS.