

355.2A-508 Lessee's remedies.

- (1) If a lessor fails to deliver the goods in conformity to the lease contract (KRS 355.2A-509) or repudiates the lease contract (KRS 355.2A-402), or a lessee rightfully rejects the goods (KRS 355.2A-509) or justifiably revokes acceptance of the goods (KRS 355.2A-517), then with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (KRS 355.2A-510), the lessor is in default under the lease contract and the lessee may:
 - (a) Cancel the lease contract (subsection (1) of KRS 355.2A-505);
 - (b) Recover so much of the rent and security as has been paid and is just under the circumstances;
 - (c) Cover and recover damages as to all goods affected whether or not they have been identified to the lease contract (KRS 355.2A-518 and 355.2A-520), or recover damages for nondelivery (KRS 355.2A-519 and 355.2A-520);
 - (d) Exercise any other rights or pursue any other remedies provided in the lease contract.
- (2) If a lessor fails to deliver the goods in conformity to the lease contract or repudiates the lease contract, the lessee may also:
 - (a) If the goods have been identified, recover them (KRS 355.2A-522); or
 - (b) In a proper case, obtain specific performance or replevy the goods (KRS 355.2A-521).
- (3) If a lessor is otherwise in default under a lease contract, the lessee may exercise the rights and pursue the remedies provided in the lease contract, which may include a right to cancel the lease, and in KRS 355.2A-519(3).
- (4) If a lessor has breached a warranty, whether express or implied, the lessee may recover damages (subsection (4) of KRS 355.2A-519).
- (5) On rightful rejection or justifiable revocation of acceptance, a lessee has a security interest in goods in the lessee's possession or control for any rent and security that has been paid and any expenses reasonably incurred in their inspection, receipt, transportation, and care and custody and may hold those goods and dispose of them in good faith and in a commercially reasonable manner, subject to subsection (5) of KRS 355.2A-527.
- (6) Subject to the provisions of KRS 355.2A-407, a lessee, on notifying the lessor of the lessee's intention to do so, may deduct all or any part of the damages resulting from any default under the lease contract from any part of the rent still due under the same lease contract.

Effective: January 1, 1993

History: Amended 1992 Ky. Acts ch. 116, sec. 13, effective January 1, 1993 -- Created 1990 Ky. Acts ch. 363, sec. 55, effective January 1, 1991.