

(2) SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON THE EFFECT OF DEFAULT ON RISK OF LOSS (§ 2A-220), IF RISK OF LOSS IS TO PASS TO THE LESSEE AND THE TIME OF PASSAGE IS NOT STATED, THE FOLLOWING RULES APPLY:

(A) IF A LEASE CONTRACT REQUIRES OR AUTHORIZES THE GOODS TO BE SHIPPED BY CARRIER;

(I) AND IT DOES NOT REQUIRE DELIVERY AT A PARTICULAR DESTINATION, THE RISK OF LOSS PASSES TO THE LESSEE WHEN THE GOODS ARE DULY DELIVERED TO THE CARRIER; BUT

(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 COMMERCIALY REASONABLE TIME.

2A-221. CASUALTY TO IDENTIFIED GOODS