

(1) IF A LESSOR DISCOVERS THE LESSEE TO BE INSOLVENT, THE LESSOR MAY REFUSE TO DELIVER THE GOODS.

(2) AFTER A DEFAULT BY THE LESSEE UNDER THE LEASE CONTRACT OF THE TYPE DESCRIBED IN § 2A-523(1) OR 2A-523(3)(A), OR, IF AGREED, ON OTHER DEFAULT BY THE LESSEE, THE LESSOR HAS THE RIGHT TO TAKE POSSESSION OF THE GOODS. IF THE LEASE CONTRACT SO PROVIDES, THE LESSOR MAY REQUIRE THE LESSEE TO ASSEMBLE THE GOODS AND MAKE THEM AVAILABLE TO THE LESSOR AT A PLACE TO BE DESIGNATED BY THE LESSOR WHICH IS REASONABLY CONVENIENT TO BOTH PARTIES. WITHOUT REMOVAL, THE LESSOR MAY RENDER UNUSABLE ANY GOODS EMPLOYED IN TRADE OR BUSINESS, AND MAY DISPOSE OF GOODS ON THE LESSEE'S PREMISES (§ 2A-527).

(3) THE LESSOR MAY PROCEED UNDER SUBSECTION (2) WITHOUT JUDICIAL PROCESS IF IT CAN BE DONE WITHOUT BREACH OF THE PEACE OR THE LESSOR MAY PROCEED BY ACTION.

#### 2A-526. LESSOR'S STOPPAGE OF DELIVERY IN TRANSIT OR OTHERWISE

(1) 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.

(2) IN PURSUING ITS REMEDIES UNDER SUBSECTION (1), THE LESSOR MAY STOP DELIVERY UNTIL

(A) RECEIPT OF THE GOODS BY THE LESSEE;

(B) ACKNOWLEDGMENT TO THE LESSEE BY ANY BAILEE OF THE GOODS, EXCEPT A CARRIER, THAT THE BAILEE HOLDS THE GOODS FOR THE LESSEE; OR

(C) SUCH AN ACKNOWLEDGMENT TO THE LESSEE BY A CARRIER VIA RESHIPMENT OR AS WAREHOUSEMAN.

(3) (A) TO STOP DELIVERY, A LESSOR SHALL SO NOTIFY AS TO ENABLE THE BAILEE BY REASONABLE DILIGENCE TO PREVENT DELIVERY OF THE GOODS.

(B) 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.

(C) A CARRIER WHO HAS ISSUED A NONNEGOTIABLE BILL OF LADING IS NOT OBLIGED TO OBEY A NOTIFICATION TO STOP RECEIVED FROM A PERSON OTHER THAN THE CONSIGNOR.

#### 2A-527. LESSOR'S RIGHTS TO DISPOSE OF GOODS