336.2A-508 LESSEE'S REMEDIES.

(1) If a lessor fails to deliver the goods in conformity to the lease contract (section 336.2A-509) or repudiates the lease contract (section 336.2A-402), or a lessee rightfully rejects the goods (section 336.2A-509) or justifiably revokes acceptance of the goods (section 336.2A-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 (section 336.2A-510), the lessor is in default under the lease contract and the lessee may pursue any or all of the following remedies:

(a) cancel the lease contract (section 336.2A-505(1));

(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 (sections 336.2A-518 and 336.2A-520), or recover damages for nondelivery (sections 336.2A-519 and 336.2A-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 (section 336.2A-522); or

(b) in a proper case, obtain specific performance or replevy the goods (section 336.2A-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 section 336.2A-519(3).

(4) If a lessor has breached a warranty, whether express or implied, the lessee may recover damages (section 336.2A-519(4)).

(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 section 336.2A-527(5).

(6) Subject to the provisions of section 336.2A-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.

History: *1989 c 232 art 1 s 2A-508; 1991 c 171 art 1 s 12*