

355.2A-406 Procedure on excused performance.

- (1) If the lessee receives notification of a material or indefinite delay or an allocation justified under KRS 355.2A-405, the lessee may by written notification to the lessor as 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):
 - (a) Terminate the lease contract (subsection (2) of KRS 355.2A-505); or
 - (b) Except in a finance lease that is not a consumer lease, modify the lease contract by accepting the available quota in substitution, with due allowance from the rent payable for the balance of the lease term for the deficiency but without further right against the lessor.
- (2) If, after receipt of a notification from the lessor under KRS 355.2A-405, the lessee fails so to modify the lease agreement within a reasonable time not exceeding thirty (30) days, the lease contract lapses with respect to any deliveries affected.

Effective: January 1, 1991

History: Created 1990 Ky. Acts ch. 363, sec. 46, effective January 1, 1991.