

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.2503 Tender of delivery by seller; shipment; destination; goods in possession of bailee; documents.

Sec. 2503. (1) Tender of delivery requires that the seller put and hold conforming goods at the buyer's disposition and give the buyer any notification reasonably necessary to enable the buyer to take delivery. The manner, time, and place for tender are determined by the agreement and this article, and in particular all of the following apply:

(a) Tender must be at a reasonable hour, and if it is a tender of goods, the goods must be kept available for the period reasonably necessary to enable the buyer to take possession.

(b) Unless otherwise agreed, the buyer must furnish facilities reasonably suited to the receipt of the goods.

(2) If section 2504 applies to a shipment, tender requires that the seller comply with that section.

(3) If a seller is required to deliver at a particular destination, tender requires that the seller comply with subsection (1) and also, if appropriate, tender documents as described in subsections (4) and (5).

(4) If goods are in the possession of a bailee and are to be delivered without being moved, both of the following apply:

(a) Except as provided in subdivision (b), tender requires that the seller either tender a negotiable document of title covering the goods or procure acknowledgment by the bailee of the buyer's right to possession of the goods.

(b) Tender to the buyer of a nonnegotiable document of title or of a record directing the bailee to deliver is sufficient tender unless the buyer seasonally objects, and except as otherwise provided in article 9, receipt by the bailee of notification of the buyer's rights fixes those rights as against the bailee and all third persons. However, risk of loss of the goods and of any failure by the bailee to honor the nonnegotiable document of title or to obey the direction remains on the seller until the buyer has had a reasonable time to present the document or direction, and a refusal by the bailee to honor the document or to obey the direction defeats the tender.

(5) Both of the following apply if the contract requires the seller to deliver documents:

(a) The seller must tender all the documents in correct form, except as provided in section 2323(2) with respect to bills of lading in a set.

(b) Tender through customary banking channels is sufficient and dishonor of a draft accompanying or associated with the documents constitutes nonacceptance or rejection.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 2012, Act 87, Eff. July 1, 2013.