

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.2962 Rejection of goods in lessee's possession; rights and obligations of lessee.

Sec. 2A512.

(1) Except as otherwise provided with respect to goods that threaten to decline in value speedily (section 2A511) and subject to any security interest of a lessee (section 2A505(5)) the following rules apply:

(a) The lessee, after rejection of goods in the lessee's possession, shall hold them with reasonable care at the lessor's or the supplier's disposition for a reasonable time after the lessee's seasonable notification of rejection.

(b) If the lessor or the supplier gives no instructions within a reasonable time after notification of rejection, the lessee may store the rejected goods for the lessor's or the supplier's account or ship them to the lessor or the supplier or dispose of them for the lessor's or the supplier's account with reimbursement in the manner provided in section 2A511.

(c) Except as otherwise provided by this section, the lessee has no further obligations with regard to goods rightfully rejected.

(2) Action by the lessee pursuant to subsection (1) is not acceptance or conversion.

History: Add. 1992, Act 101, Eff. Sept. 30, 1992