

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

***** 440.2978.amended THIS AMENDED SECTION IS EFFECTIVE JULY 1, 2013 *****

440.2978.amended Retention or disposition of goods by lessor; damages.

Sec. 2A528. (1) Except as otherwise provided with respect to damages liquidated in the lease agreement under section 2A504 or otherwise determined pursuant to agreement of the parties under sections 1302 and 2A503, if a lessor elects to retain the goods or a lessor elects to dispose of the goods and disposition is by lease agreement that for any reason does not qualify for treatment under section 2A527(2), or is by sale or otherwise, the lessor may recover from the lessee as damages for a default of the type described in section 2A523(1) or 2A523(3)(a), or, if agreed, for other default of the lessee, (i) accrued and unpaid rent as of the date of default if the lessee has never taken possession of the goods, or, if the lessee has taken possession of the goods, as of the date the lessor repossesses the goods or an earlier date on which the lessee makes a tender of the goods to the lessor, (ii) the present value as of the date determined under this subsection of the total rent for the then remaining lease term of the original lease agreement minus the present value as of the same date of the market rent at the place where the goods are located computed for the same lease term, and any incidental damages allowed under section 2A530, less expenses saved in consequence of the lessee's default.

(2) If the measure of damages provided in subsection (1) is inadequate to put a lessor in as good a position as performance would have, the measure of damages is the present value of the profit, including reasonable overhead, the lessor would have made from full performance by the lessee, together with any incidental damages allowed under section 2A530, due allowance for costs reasonably incurred and due credit for payments or proceeds of disposition.

History: Add. 1992, Act 101, Eff. Sept. 30, 1992;—Am. 2012, Act 86, Eff. July 1, 2013.