

**336.2-612 "INSTALLMENT CONTRACT"; BREACH.**

(1) An "installment contract" is one which requires or authorizes the delivery of goods in separate lots to be separately accepted, even though the contract contains a clause "each delivery is a separate contract" or its equivalent.

(2) The buyer may reject any installment which is nonconforming if the nonconformity substantially impairs the value of that installment and cannot be cured or if the nonconformity is a defect in the required documents; but if the nonconformity does not fall within subsection (3) and the seller gives adequate assurance of its cure the buyer must accept that installment.

(3) Whenever nonconformity or default with respect to one or more installments substantially impairs the value of the whole contract there is a breach of the whole. But the aggrieved party reinstates the contract by accepting a nonconforming installment without seasonably notifying of cancellation or by bringing an action with respect only to past installments or by demanding performance as to future installments.

**History:** *1965 c 811 s 336.2-612; 1986 c 444*