

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) Where the contract requires the seller to deliver documents

(a) He must tender all such documents in correct form, except as provided in this title with respect to bills of lading in a set (subsection (2) of § 2-323); and

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

2-505.

(1) Where the seller has identified goods to the contract by or before shipment:

(a) His procurement of a negotiable bill of lading to his own order or otherwise reserves in him a security interest in the goods. His procurement of the bill to the order of a financing agency or of the buyer indicates in addition only the seller's expectation of transferring that interest to the person named.

(b) A nonnegotiable bill of lading to himself or his nominee reserves possession of the goods as security, but except in a case of conditional delivery (subsection (2) of § 2-507) a nonnegotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession OR CONTROL of the bill of lading.

(2) When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation within the preceding section but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document OF TITLE.

2-506.

(2) The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference to any relevant document which was apparently regular [on its face].

2-509.

(2) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer

(a) On his receipt of POSSESSION OR CONTROL OF a negotiable document of title covering the goods; or

(b) On acknowledgment by the bailee of the buyer's right to possession of the goods; or