
Introduced by Senator Gaines

January 20, 2016

An act to amend Section 10208 of the Commercial Code, relating to leases.

LEGISLATIVE COUNSEL'S DIGEST

SB 891, as introduced, Gaines. Commercial law: personal property leases.

Existing law, the Uniform Commercial Code—Leases, governs the various aspects of leases of personal property, including their formation, construction, effect, and performance. Existing law provides that an agreement modifying a lease contract does not need consideration in order to be binding.

This bill would make nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10208 of the Commercial Code is
- 2 amended to read:
- 3 10208. (a) An agreement modifying a lease contract ~~needs no~~
- 4 *does not need* consideration to be binding.
- 5 (b) A signed lease agreement that excludes modification or
- 6 rescission except by a signed writing may not be otherwise
- 7 modified or rescinded, but, except as between merchants, such a
- 8 requirement on a form supplied by a merchant ~~must~~ *shall* be
- 9 separately signed by the other party.

1 (c) Although an attempt at modification or rescission does not
2 satisfy the requirements of subdivision (b), it may operate as a
3 waiver.

4 (d) A party who has made a waiver affecting an executory
5 portion of a lease contract may retract the waiver by reasonable
6 notification received by the other party that strict performance will
7 be required of any term waived, unless the retraction would be
8 unjust in view of a material change of position in reliance on the
9 waiver.