

70A-2a-209 Lessee under finance lease as beneficiary of supply contract.

- (1) The benefit of a supplier's promises to the lessor under the supply contract and of all warranties, whether express or implied, including those of any third party provided in connection with or as part of the supply contract, extends to the lessee to the extent of the lessee's leasehold interest under a finance lease related to the supply contract, but is subject to the terms of the warranty and the supply contract and all defenses or claims arising therefrom.
- (2) The extension of the benefit of a supplier's promises and of warranties to the lessee as provided in Subsection (1) does not:
 - (a) modify the rights and obligations of the parties to the supply contract, whether arising therefrom or otherwise; or
 - (b) impose any duty or liability under the supply contract on the lessee.
- (3) Any modification or rescission of the supply contract by the supplier and the lessor is effective between the supplier and the lessee unless, prior to the modification or rescission, the supplier has received notice that the lessee has entered into a finance lease related to the supply contract. If the modification or rescission is effective between the supplier and the lessee, the lessor is considered to have assumed, in addition to the obligations of the lessor to the lessee under the lease contract, promises of the supplier to the lessor and warranties that were so modified or rescinded as they existed and were available to the lessee before modification or rescission.
- (4) In addition to the extension of the benefit of the supplier's promises and warranties to the lessee under Subsection (1), the lessee retains all rights and remedies which the lessee may have against the supplier that arise from any agreement between the lessee and the supplier or from any other law.

Amended by Chapter 237, 1993 General Session