

## **GOVERNING LAW**

The Uniform Commercial Code (UCC) will govern all contracts concerning the sale of movable goods and the Common Law will govern all others.

## **CONTRACT**

An enforceable contract consists of a valid offer, acceptance and consideration.

## **OFFER**

An outwardly manifested present intent to enter into a contract with clear and concise terms which is creates the power to accept and is communicated to the offeree.

## **ACCEPTANCE**

An unequivocal assent or meeting of the minds to the terms of an offer.

## **CONSIDERATION**

A bargained for exchange for a return value.

## **COUNTEROFFER**

An offer made by the offeree in response to an original offer with differing terms. Acts as an implied rejection.

## **REJECTION**

A manifestation by the offeree that he or she will not accept the terms of an offer nor give it further consideration.

## **MODIFICATION**

A subsequent agreement which changes the terms of an original contract which requires consideration. Consideration is not required if both parties are merchants.

## **STATUTE OF FRAUDS**

That all contracts must be in writing which concern marriage, a duration of a year or more until completion, land, an estate, answering for the debt of another or involving a transaction for the sale of goods of \$500 or more.

## **PAROL EVIDENCE RULE**

That when parties have entered into a written agreement which is meant to be the final integration and expression of the contract, that no past or contemporaneous evidence may be admitted which alters, modifies or contradicts the original terms of the contract.

## **ANTICIPATORY BREACH**

Occurs when a party to an agreement makes it clear, through expression or action, that they will not perform. Effectively serves as a breach.

## **BREACH**

A failure to perform.

## **MINOR BREACH**

A breach which is not material to the terms of an agreement and may possibly incur liability for the breaching party but will keep the agreement in effect.