CONCEPT	ELEMENTS AND TYPES	DEFINITION	APPLICATION/EXCEPTION/ LIMITATION
A. Governing Law / Introduction	1. Common Law 2. UCC Article 2 3. Hybrid Cases (Sale of goods + services)	Governing framework for contract law. • UCC governs sales of goods (movable items) • Common law governs all other contracts (services, real property, land, intangibles)	• UCC trumps common law where it applies. • Common law applies to UCC gaps unless contradicted. • Hybrid contract rule: Predominate purpose test determines applicable law based on contract language, supplier's primary business, and relative values.
B. Offer	1. Outward manifestation (oral, written, conduct) 2. Signal that acceptance will conclude deal 3. Special Types: Commercial Advertisements, Reward Offers 4. Termination methods: *- Lapse* *- Death/Incapacity,* *- Revocation* *- Rejection*	A party's communication creating the power of acceptance in the offeree.	• Commercial ads are generally invitations for offers under the American Rule, except where language specifies a limited quantity/first-come basis. • Revocation requires communication before acceptance (direct or indirect via reliable source). • Options, firm offers, and detrimental reliance prevent revocation. • Counteroffers terminate original offers except mere inquiries.

C. Acceptance	1. Common Law Acceptance (Mirror Image Rule) 2. Unilateral K Acceptance 3. Acceptance by Mail (Mailbox Rule) 4. UCC Acceptance by Shipment 5. UCC 2-207 Battle of the Forms	An offeree's assent to the terms of the offer in an authorized manner.	• Common law requires mirror image of terms. • Mailbox Rule makes acceptance effective upon proper dispatch (does not apply to option contracts or after sending rejection). • Under UCC 2-207, non-conforming acceptance creates a contract unless expressly conditional on assent to additional/different terms. • Between merchants, additional terms join contract unless limited by offer, objected to, or materially alter.
D. Consideration	1. Bargained-for Exchange (Majority/Restatement Rule) 2. Benefit/Detriment Test (Minority Rule) 3. Legal Detriment Test 4. Exceptions: Past/Moral Consideration, Promissory Estoppel	A bargained-for exchange of legal value (goods, services, forbearance, or promise) required to make a promise enforceable.	• Inadequacy of consideration is not policed by courts. • Gratuitous promises are unenforceable unless executed. • Illusory promises and preexisting duties are insufficient. • Promissory estoppel serves as a substitute requiring promise, foreseeable reliance, actual reliance, and injustice without enforcement.

E. Statute of Frauds (SOF)	**1. MYLEGS categories:** - ***Marriage*** - ***Year performance,*** - ***Land*** - ***Executor*** - ***Guarantee/Surety ship*** - ***Sale of Goods ($500+)*** **2. Satisfaction: Writing, Signature, Tacking** **3. 3. Work-arounds: Part Performance, Promissory Estoppel** **4. 4. UCC SOF Rules**	**A rule requiring certain categories of contracts to be evidenced by a signed writing to be enforceable.**	• **Exceptions to guarantee category include main purpose rule and debtor discharge.** • **UCC SOF can be satisfied by signed writing with quantity, merchant confirmation (no objection in 10 days), judicial admission, part performance, or specially manufactured goods.**
F. Gap Fillers	1. UCC Implied Warranties: Title, Merchantability, Fitness for Particular Purpose 2. 2. UCC Express Warranties 3. UCC Missing Terms: Price, Time, Place 4. 4. Obligation of Good Faith and Fair Dealing 5. 5. Output and Requirement Contracts	Default statutory or common law rules applied to supply omitted terms in a contract.	• **Warranties can be disclaimed or modified by specific language or circumstances (e.g., 'as is').** • **Good faith requires honesty in fact, plus observance of reasonable commercial standards for merchants.** • **Quantity terms in output/requirement contracts are constrained by good faith.**
G. Interpreting Ambiguous Language	1. Objective Meaning Rule 2. Contra Proferentem 3. Doctrine of	Legal rules for determining the meaning of ambiguous or disputed contract terms.	• **Objective meaning controls unless one party knows the other's subjective meaning or both share identical subjective**

	Reasonable Expectations		**meanings.** • **Contra proferentem construes ambiguous language against the drafter.** • **Reasonable expectations doctrine defeats inconsistent boilerplate language primarily in adhesion or insurance contracts.**
H. Trade Usage, Course of Dealing, Course of Performance	1. Course of Performance 2. Course of Dealing 3. Usage of Trade	Extrinsic context and industry standards used to fill gaps and resolve contract ambiguities.	• **Admissible to supplement terms or explain ambiguities** • **Inadmissible to contradict express terms** • **Order of priority in case of conflict: Course of Performance > Course of Dealing > Trade Usage.**
I. Parol Evidence Rule (PE)	**1. Partial Integration** **2. Complete Integration** **3. Merger Clauses**	**Rule governing the admissibility of prior or contemporaneous oral/written evidence to alter or supplement a written contract.**	• **PE does not apply to subsequent agreements, collateral agreements, or evidence challenging validity (fraud, duress, mistake, oral conditions precedent).** • **Extrinsic evidence is admissible to explain/interpret, or under UCC to supplement fully integrated contracts with course of dealing/trade usage.**

J. Obligations Under UCC	**1. Seller/Buyer Obligations** **2. Carrier Cases: Shipment Contract (FOB Seller), Destination Contract (FOB Buyer)** **3. Non-Carrier Cases: Merchant vs. Non-Merchant**	**Rules dictating performance obligations and risk of loss (ROL) allocation between buyer and seller.**	• **In shipment contracts, ROL shifts to buyer upon delivery to carrier.** • **In destination contracts, ROL shifts upon tender at destination.** • **In non- carrier cases, merchant seller retains ROL until physical possession by buyer; non-merchant seller transfers ROL upon tender.**
K. Modification	1. Common Law Modification (Pre-existing Duty Rule) 2. Common Law Exceptions: Mutual modification, Unforeseen circumstances 3. UCC Modification	An agreement to change the terms of an existing contract.	• **Under common law, modifications require fresh consideration unless an exception applies.** • **Under UCC Article 2, modifications need no consideration if made in good faith.**
L. Excusing Performance Due to Faulty Assumptions	1. Unilateral Mistake 2. Mutual Mistake 3. Impossibility 4. Impracticability 5. Frustration of Purpose	Legal doctrines discharging a party's duty to perform due to erroneous assumptions or post-formation unexpected events.	• **Unilateral mistake is not excused unless the non-mistaken party knew/had reason to know or there was a serious clerical error.** • **Mutual mistake requires basic material assumption, and disadvantaged party did not bear risk.** • **Impossibility requires objective impossibility.** • **Impracticability requires unforeseen events making performance prohibitively expensive or burdensome.**

M. Excusing Performance by Agreement	1. Rescission 2. Accord, and 3. Satisfaction	Discharge of contractual duties by mutual agreement of the parties.	• **Rescission requires mutual assent and unperformed duties on both sides (consideration).** • **Accord requires an agreement for substituted performance supported by consideration.** • **Satisfaction is performance of the accord.** • **Accord alone suspends original duty; full discharge requires both.**
N. Anticipatory Repudiation	**1. Express Repudiation** **2. Voluntary Act Repudiation** **3. Demand for Adequate Assurances** **4. Aggrieved Party Remedies & Retraction**	**An unequivocal manifestation by a party before performance is due indicating they will not perform.**	• **If reasonable grounds for insecurity exist, a party can demand written assurances and suspend performance.** • **Failure to respond (within 30 days under UCC) constitutes repudiation.** • **Repudiation can be retracted until the non- breaching party relies, accepts, or sues.**

O. Conditions	**1. Express Conditions** **2. Implied Conditions** **3. Exceptions: Waiver, Bad Faith, Gross Forfeiture** **4. Material Breach vs. Substantial Performance**	**An event not certain to occur that must occur before performance under a contract becomes due.**	• **Express conditions require strict compliance unless excused by waiver, bad faith, or gross forfeiture.** • **Implied conditions under common law follow the substantial performance doctrine (minor breach allows damages but no discharge; material breach discharges duty).**
P. Failure of Condition Under UCC & Defenses	1. Perfect Tender Rule 2. Buyer Remedies: Reject, Accept, Accept/Reject Part 3. Seller Right to Cure 4. Installment Contract Exceptions 5. Contract Defenses: - Infancy - Mental Incompetency - Misrepresentation - Duress - Undue Influence - Unconscionability - Public Policy/Illegality	UCC rules governing non-conforming tender alongside general legal defenses that render a contract void or voidable.	• **Under UCC, buyer can reject goods for any non-conformity unless seller cures or in installment contracts where non-conformity must substantially impair the contract/installment value.** • **Contract defenses negate enforceability based on incapacity, defective assent, unfair process/terms, or illegality.**

Q. Remedies	1. Common Law Monetary: - Expectation - Reliance, - Restitutionary - Liquidated Damages 2. UCC Remedies: - Seller Remedies (Lost Volume), - Buyer Remedies (Cover), Incidental & Consequential Damages 3. Equitable Remedies: - Specific Performance - Negative Injunction 4. Quasi-Contract / Unjust Enrichment	Judicial awards or legal relief designed to compensate an aggrieved party for breach of contract.	• **Expectation damages are default but limited by foreseeability, certainty, and mitigation.** • **Specific performance is limited to unique goods/real property where monetary damages are inadequate and unavailable for personal services.** • **Liquidated damages are unenforceable if deemed a penalty.**
R. Third-Party Beneficiaries	1. Intended Beneficiaries (Creditor Beneficiary, Donee Beneficiary) 2. Incidental Beneficiaries 3. Vesting of Rights	A non-party who receives a benefit from a contract made by others.	• **Only intended beneficiaries have standing to sue. Rights vest when beneficiary files suit, detrimentally relies, assents at request of parties, or under express contract terms.** • **Once vested, original contracting parties cannot modify or rescind without consent.**

S. Assignment of Rights	**1. Gratuitous Assignment** **2. Assignment for Value** **3. Assignee Rights & Defenses**	**A present transfer of a contractual right to receive performance from an obligor to an assignee.**	• **Rights are assignable unless prohibited by contract/law, or materially alters obligor's duty.** • **Gratuitous assignments are generally revocable unless executed; assignments for value are irrevocable.** • **Assignee steps into shoes of assignor and is subject to obligor's defenses.**

T. Delegation of Duties	**1. Delegable Duties** **2. Obligee vs. Delegator Rights** **3. Delegatee Liability**	**A transaction where a contracting party (delegator) transfers a duty of performance to a third party (delegatee).**	• **Duties are delegable unless personal services or contract expressly prohibits.** • **Delegation does not relieve delegator of liability absent a novation.** • **If delegation is supported by consideration, obligee can sue delegatee as an intended third-party beneficiary.**
Source: Kaplan Bar Review - 1L Essentials			