

# THE SELF-HELP GUIDE TO THE LAW

Contracts  
and Sales  
Agreements  
for Non-Lawyers



J. D. Teller, Esq.



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With detailed references to sources for readers wishing to delve deeper, the *Guides* are ideal for readers wishing to better understand their legal rights and responsibilities, regardless of whether they ultimately opt to hire a lawyer.

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- The Self-Help Guide to the Law: Know Your Constitutional Rights
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## ABBREVIATIONS

A	Grantee (for present estate/ future interest hypotheticals)
AGI	Adjusted gross income
AP	Adverse possession
B	Buyer
C	Constitution
CIF	Cause-in-fact
Cl.	Clause
CLEO	State Chief Law Enforcement Officer
Court (cap.)	United States Supreme Court
CP	Court of Pleas (UK)
CR	Contingent remainder
CSD	Common Scheme of Development
CSI	Compelling state interest
Ct.	Court
Ct. App.	Court of Appeals
Ct. Chan.	Court of Chancery (England)
ED	Emotional distress
EI	Executory interest
Eng.	England
ES	Equitable Servitude
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
FQJ	Federal question jurisdiction
FRAP	Federal Rules of Appellate Procedure
FRCP	Federal Rules of Civil Procedure
FRCrP	Federal Rules of Criminal Procedure
FRE	Federal Rules of Evidence
FS	Fee simple absolute (fee simple)
FSCS	Fee simple on condition subsequent
FSD	Fee simple determinable
FS EL	Fee simple on executory limitation
FT	Fee tail
H.L.	House of Lords (England)
JMOL	Judgment as a matter of law
JNOV	Judgment non obstante veredicto
JT	Joint tenant/tenancy
K	Knowledge (criminal law) or Contract (all other law)
K.B.	King's Bench (UK)
L	Loss in value
L1	First landlord
Lat.	Latin
LE	Life estate

LED	Life estate determinable
LLC	Limited liability company
LLP	Limited liability partnership
LRM	Least restrictive means
MPC	Model Penal Code
MSAJ	Motion to set aside the judgment
N.B.	Nota bene
O	Original owner, or grantor (in present estates and future interests)
P	Purpose or purchaser
PJ	Personal jurisdiction
PJI	Pattern Criminal Jury Instruction
Q.B.	Queen's Bench (UK)
R	Recklessness
RAP	Rule against perpetuities
RC	Real Covenant
Restatement	Restatement (of Contracts, Torts, Judgments, etc.)
RFRA	Religious Freedom Restoration Act of 1993
RLUIPA	Religious Land Use and Institutionalized Persons Act
RPP	Reasonable prudent person
Rule	Federal Rule of Evidence or Federal Rule of Civil Procedure
§	Section
S	Sublessee or seller
S.Ct.	Supreme Court or U.S. Supreme Court Reporter
SJ	Summary judgment
SMJ	Subject matter jurisdiction
SP	Specific performance
T1	First tenant
TE	Tenant/tenancy by the entireties
UCC	Uniform Commercial Code
US	United States of America or United States Reports (compilation of U.S. Supreme Court opinions)
USC	United States Code
VR	Vested remainder
VR SD	Vested remainder subject to divestment

# CHAPTER 1. INTRODUCTION

## I. DEFINING CONTRACTS

The Restatement (Second) of Contracts establishes the following definitions in § 2:

- *Promise*: a manifestation of intention to act or refrain from acting so made as to justify a *promisee* in understanding that a commitment has been made.
- *Promisor*: the party making the promise.
- *Promisee*: the party receiving the promise.
- *Beneficiary*: the party that will benefit from a performance, when this person is not the promisee.

“A contract is a promise or set of promises, for breach of which the law gives remedy, the fulfillment of which is a legal duty” (§ 1 Restatement).

“An agreement is a manifestation of mutual assent by two or more persons. A bargain is an agreement to exchange promises or exchange a promise for a performance or to exchange performances” (§ 3 Restatement).

A contract can be made orally or in writing, or inferred from conduct (§ 4 Restatement).

## II. SOURCES OF THE LAW ON CONTRACTS

### A. Case Law

The case law may vary from state to state.

### B. The Uniform Commercial Code (UCC)

In the sales of goods, the Uniform Commercial Code (UCC) applies. This is a uniform law that all of the states have adopted. However, Louisiana has not adopted the UCC in all of the ways suggested its drafters. The UCC applies to contracts for the sale of goods (art. 2) and for leases (art. 2A). The UCC also deals with:

- Negotiable instruments (art. 3);



- Bank deposits and collections (art. 4);
- Letters of credit (art. 5);
- Investment securities (art. 8); and
- Secured transactions (art. 9).

The present text will limit itself to discussing sales of goods (art. 2) and will make some references to the UCC provisions governing leases (art. 2A).

### **C. Secondary Sources**

Finally, secondary sources such as the Restatement (Second) of Contracts, legal treatises, and scholarly articles may apply.

## **III. CLASSES OF CONTRACTS**

Bilateral contracts are accepted by return promise.

Example: a contract in which A promises to sell B land at a particular price if B promises to purchase the land at that price.

Unilateral contracts, in contrast, are accepted by performance.

Example: A promises to pay \$10 to whoever finds and brings him his lost dog. The person who finds and brings the dog, without notifying A of his acceptance or promising to bring A the lost dog, is entitled to the \$5 at the time he brings the lost dog.