

# CHAPTER 20

## THE FORMATION OF SALE AND LEASE CONTRACT

Maria C, Leslie R, Norma V

November 9, 2016



# THE UNIFORM COMMERCIAL CODE (UCC)

- **Comprehensive Coverage of the UCC**
  - UCC is the single most comprehensive codification
- **UCC allows parties to form sales and lease contracts, including those entered online.**
- **Sale of payments for goods**
- **There are two points to keep in mind when it comes to sale transactions between the seller and buyer.**

# THE SCOPE OF ARTICLES 2(SALE) AND 2A (LEASE)



- **Article 2- the sale of goods**

- It does not deal with real property, services or stocks and bonds.
- Rules can vary depending if it's the buyer or seller is a merchant.

- **Merchant:** person who deals with goods that is in the sale contract.

- **Sales:** ownership passed on from seller to buyer for a price.

\*\* Article 2 = tangible personal property

physical value and can be moved from place to place.

# ARTICLE 2A-



- Lease agreement as a lessor & lessee's bargain.
- Consumer lease consist of 3 elements
  - **Lessor**: who regularly is in the business of leasing or selling
  - **Lessee**: who leases for personal or household purpose  
Ex. Car or Apt. studio
- Pay rent or other value.
- the right to temporarily possess and use goods



# OFFER

- **Verbal exchange, agreement, contract of goods or products.**

*This also a:*

- Car or lease for household

- **Price term**
- **Payment term**
- **Open terms:**
  - Can be used to fill in gaps in contracts.

# ACCEPTANCE

- **To accept an offer to sell, buy or lease goods by reasonable matters.**
- **Communication of acceptance:**
  - Unilateral offer invites acceptance by performance.
  - Unilateral contract can be used by promising something in return for an action in acceptance.

# STATUTES OF FRAUDS

- **There has to be a record.**

- Example: an email or written request or other electronic record to sufficient the UCC'S Statute of Fraud.

