# Business Law

## March 4, 2013

* Agreement
  + Objective intent to be obligation
    - Preliminary agreements
  + Reasonably certain and definitive form
  + Effective communication
  + Has offer from ???
  + Proper acceptance
* Agreements to agree is not enforceable.
* Preliminary Agreement
  + The less they agree to the less it indicates they’ve gotten there yet.
  + Look at the language of agreement, look at specific at express interest to not be bound yet, whether the terms are reasonably certain and definite, has either party started to perform part of the agreement,
  + **A preliminary agreement is some communication that comes before a formal document and has an objective intent to be obligated even if the formal document is not achieved.**

An agreement negotiated in good faith is an agreement, which neither party will walk away with trying hard to make it work. We obligate ourselves to try.

* Copeland v. Baskin Robbins U.S.A.
  + They wanted to purchase baskin robbins ice cream plant. They wanted to get setup with a copacking agreement.
* Method of Termination
  + Lapse of Time
    - It’s a time period for acceptance is stated in the offer, the offer ends at the stated time
    - If no time period for acceptance is stated, the offer terminates at the end of a reasonable period
  + Destruction
    - Destruction of the specific subject matter of the offer terminates the offer
  + Death or Incompetence
    - Death or incompetence of either the offeror or the offeree terminates an offer, unless the offer is irrevocable.
  + The only person who can say no is the offeroree. The offeror can revoke the offer.
  + The offeror can revoke the offer anytime before its acceptance. It can be expressed or implied.
* Promise not to revoke offer
  + A call or put option.
  + In real estate, going back to buying a commercial real estate. The option may sate “I promise to not revoke the offer to sell to you for $x for a specific amount of time.” During that time you do your due diligence and essentially takes the real estate off the market.
* Methods of Termination
  + Revocation
    - An offer can be revoked at any time before acceptance without liability unless the offer is revocable
    - Option contracts, merchants firm offers, and in some circumstances promissory estoppel theory render offer irrevocable
    - Except for public offers, revocation is not effective until received by offeree or the offeree’s authorized agent
  + **Rejection**
    - Rejection to an offer is accomplished by words or actions that demonstrate a clear intent not to accept the offer or consider the offer further. About an offer do not constitute a rejection
    - A rejection is not effective until received by the offeror or an authorized agent of the offeror.
  + Counteroffer
    - Counteroffer is a rejection of the original offer and make of an alternative offer. The offerror and offerroree are flip flopped now.
  + Merchant – Definition “Someone who regularly deals a particular type of good. Someone who holds themselves out as an expert with certain types of goods.”
  + The Gasmark vs. Kimbell Case