# Business Law

## March 27, 2013

* Fraud or statutes of fraud are valid reasons to render a valid contract over
* When are the party’s obligations over?
  + Recission of a Contract – Both parties agreeing to end it
  + Novation – An agreement by the obligee (usually landlord) to discharge B (leasor). Only then does B not remain on the hook if the new subletter doesn’t pay. Read pg. 95 in cases book
* Obligation for Law or Contract
  + Condition Presidence
  + Condition Subsequent – The one party is obligated to the other, but discharged if the condition is met.

Statutes of Frauds – There’s five that require being written. Look up what the writing requires.

* + - Transfer of interest in real estate
    - Transfer in contracts of marriage (prenups)
    - Collateral promises (Collateral Contracts – pay someone else’s debt)
    - Contracts for the sale of goods that exceed $500
    - A contract that cannot by its terms be done in 1 year

Option Contract – Promise not to revoke an offer for a specific amount of time, in exchange for some consideration (money). Commonly used in real estate and stock market.

Four Factors:

* + - * Whether either party expressly reserved the right to not be obligated prior to the formal document
      * Whether there was partial performance on either parties part
      * Whether the terms of the elledged preliminary agreement were reasonably definite
      * Whether the subject matter of the contract are normally written
* How long do you have to stay negotiating to have good faith?
  + It’s not a definite amount of time. It’s a risk mitigation device, if you can’t reach an agreement then you’re not obligated to reach an agreement.
* Promissory Estoppel
  + A clear and definite promise, applies to situations in which one party has promised something to one party and didn’t fulfill it.