

## Rules for use in Contracts Diagnostic:

1. Uniform Commercial Code (UCC) applies to sales of goods.
2. Under UCC Article 2, a contract may be formed in any manner sufficient to show agreement.
3. A contract for the sale of goods for a price of \$500 or more is not enforceable against a party unless there is a writing signed by that party sufficient to indicate that a contract for sale has been made.
4. The UCC provides that if either party repudiates the contract with respect to a performance not yet due, the aggrieved party may for a reasonable time await performance by the repudiating party or resort to any remedy for breach.
5. Repudiation centers upon an overt communication of intention or an action which renders performance impossible or demonstrates a clear determination not to continue with performance.
6. A repudiating party may retract its repudiation. But the power to retract a repudiation terminates when the aggrieved party has done any of the following: (1) cancelled, (2) materially changed his position, or (3) otherwise indicated that he considers the repudiation to be final.
7. When a buyer breaches or repudiates, the seller has several remedies, including the remedy of reselling the goods.
8. If the resale is made in good faith and in a commercially reasonable manner, the seller can recover the difference between the contract price and the resale price plus incidental and consequential damages.