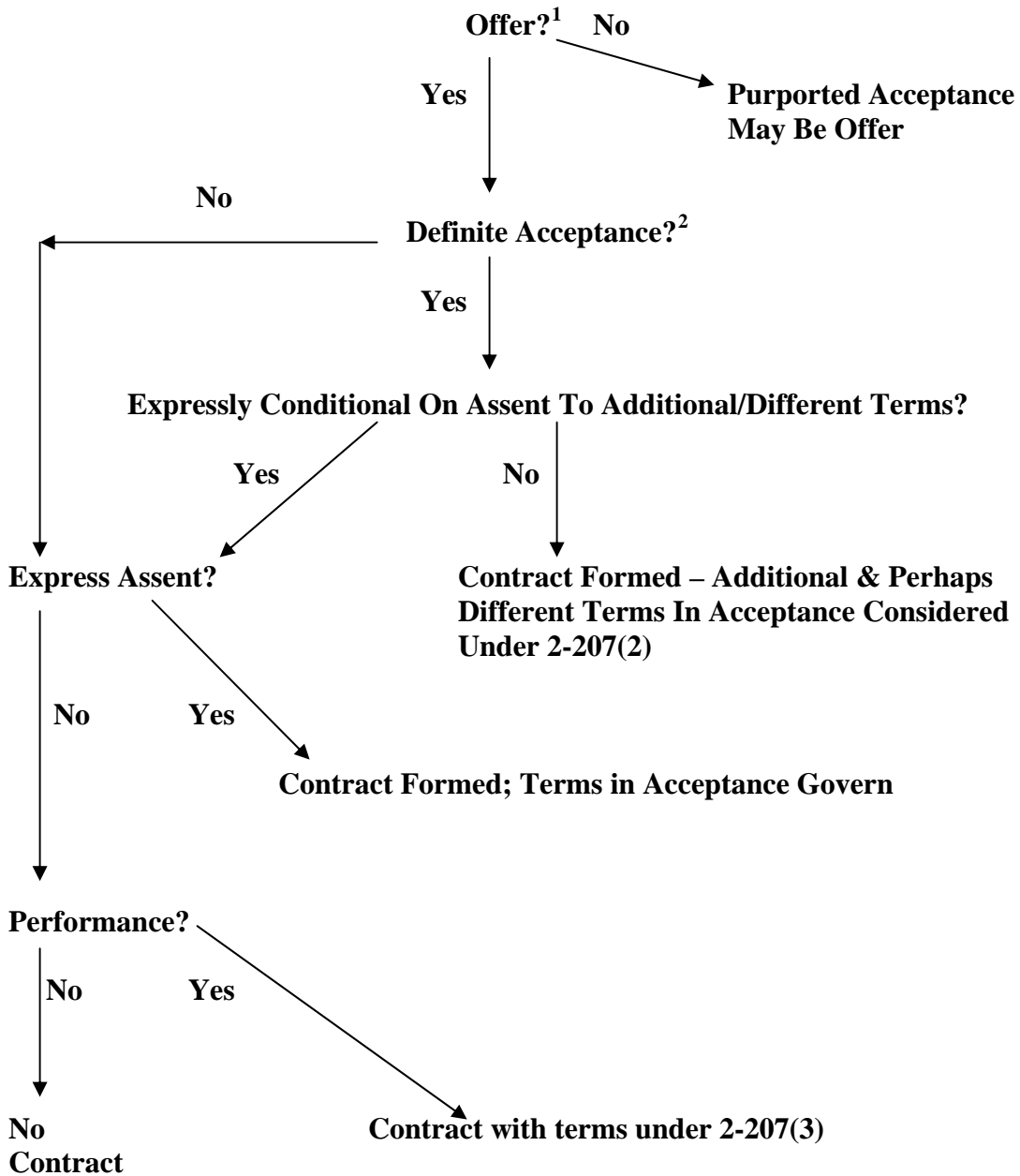


Contract Formed By Offer & Acceptance Containing Varying Terms

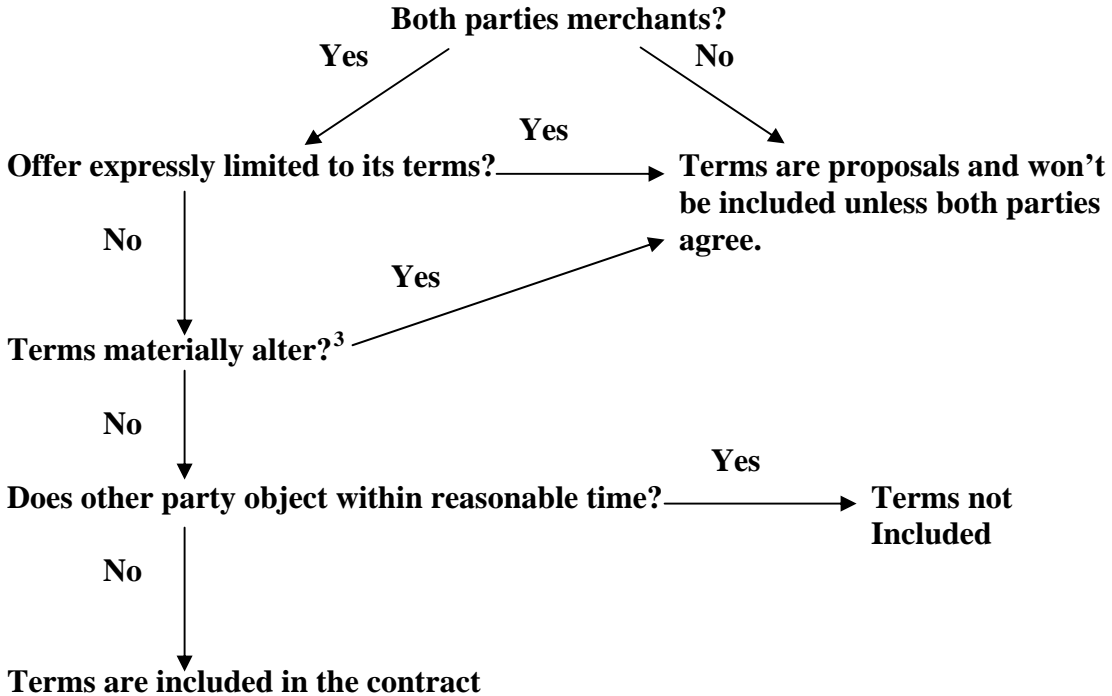


¹ Offer must be reasonably definite or it is an invitation to bargain. Catalogs and advertisements are generally not offers.

² Must have fundamental agreement on so-called “dickered terms” like price and quantity.

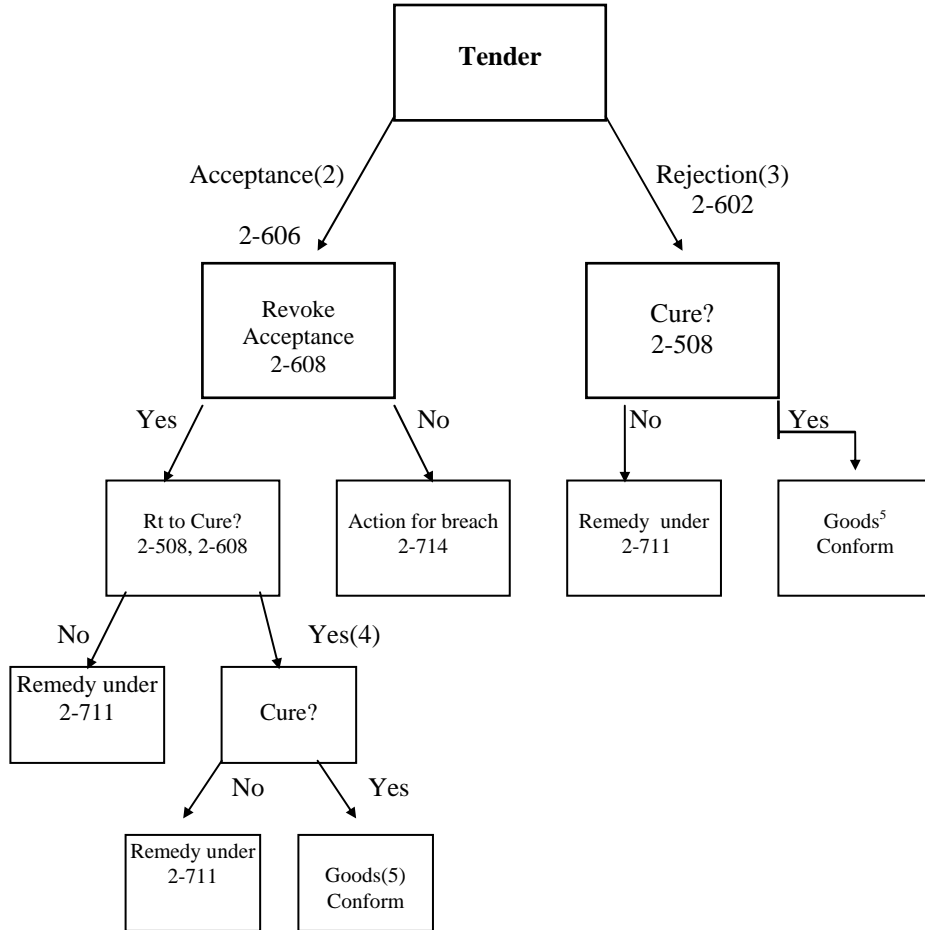
Treatment of Additional/Different Terms In An Acceptance or Confirmation Under 2-207(2)

Note: This chart will apply if either the parties have informally contracted and have sent confirmations containing additional terms or have contracted via offer and acceptance. The chart may also apply if the writings of the parties do not form a contract, but they go ahead and perform anyway. In such a case, terms are determined under 2-207(3), which indicates that the terms are those upon which the parties have agreed together with terms provided by the Act. Under comment 6 to 2-207, terms provided under the Act include those determined under 2-207(2). So, terms in a purported acceptance or confirmation may be included if they meet the 2-207 test. Terms in an acceptance that differ from the offer are considered under this chart if the court follows comment 3 to 2-207. Other courts consider different terms in an acceptance as having been objected to by the offeror or as knocking out the conflicting terms in the offer, with neither the terms in the offer or acceptance controlling. Terms in a confirmation that differ from what the parties have otherwise agreed to should not be considered under subsection (2) – they are proposals for a modification. If both parties send confirmations of an informal contract and terms conflict, they are not part of the contract absent subsequent express agreement by both parties.



³ According to comment 4 to 2-207, the test is one of surprise or hardship.

Non-Conforming Goods(1) - “One -Shot” Sales

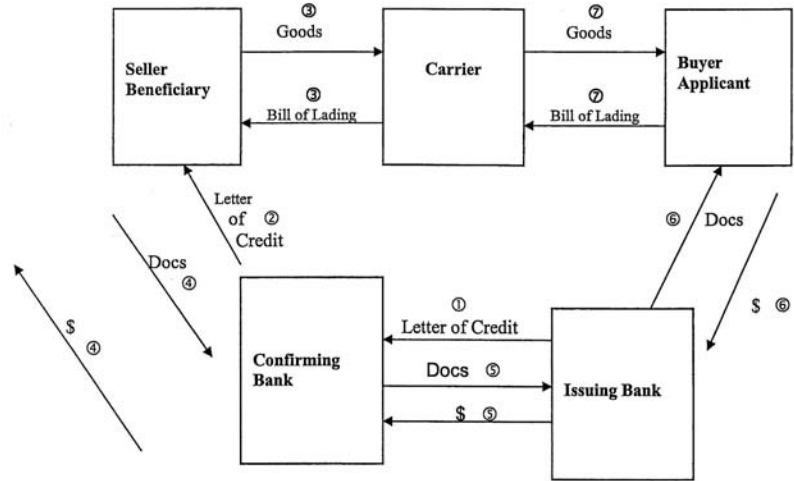


NOTES

1. Before this chart has any effect, the seller must have tendered delivery of goods that do not conform to the contract, e.g., late shipment or breach of warranty.
2. Possession does not necessarily equal “acceptance” of goods. The buyer has a reasonable opportunity to inspect. 2-606.
3. After rejection, the buyer must comply with Section 2-602 - 2-605, or the rejection may be considered ineffective and an “acceptance” will be deemed to have occurred.
4. There is some question under existing Article 2 about whether a seller may cure after revocation.
5. Even if the goods conform and are ultimately accepted after cure, the seller may still be liable for incidental or consequential damages due to delay. 2-714 & 2-715.

Flowcharts

Letters of Credit



Note: The numbers indicate the sequence of the events.

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