

U.C.C. - ARTICLE 1 - GENERAL PROVISIONS (2005)

§ 1-103. Construction of [Uniform Commercial Code] to Promote its Purposes and Policies: Applicability of Supplemental Principles of Law.

(a) [The Uniform Commercial Code] must be liberally construed and applied to promote its underlying purposes and policies, which are: (1) to simplify, clarify, and modernize the law governing commercial transactions; (2) to permit the continued expansion of commercial practices through custom, usage, and [agreement](#) of the parties; and (3) to make uniform the law among the various jurisdictions.

(b) – in RESTATEMENT 2D CONTRACTS AND US UCC ARTICLE 2

§ 1-201. General Definitions.

(a) Unless the context otherwise requires, words or phrases . . . contained in other articles of [the Uniform Commercial Code] that apply to particular articles or parts thereof, have the meanings stated.

(17) "Fault" means a default, breach, or wrongful act or omission.

(37) "Signed" includes using any symbol executed or adopted with present intention to adopt or accept a [writing](#).

§ 1-202. .[n. b., different numbering in 2005 revision] Notice; Knowledge.

(a) Subject to subsection (f), a [person](#) has "notice" of a fact if the person: (1) has actual knowledge of it; (2) has received a notice or notification of it; or (3) from all the facts and circumstances known to the person at the time in question, has reason to know that it exists.

(b) "Knowledge" means actual knowledge. "Knows" has a corresponding meaning.

(e) Subject to subsection (f), a [person](#) "receives" a notice or notification when: (1) it comes to that person's attention; or (2) it is duly delivered in a form reasonable under the circumstances at the place of business through which the [contract](#) was made or at another location held out by that person as the place for receipt of such communications.

(f) Notice, knowledge, or a notice or notification received by an [organization](#) is effective for a particular transaction from the time it is brought to the attention of the individual conducting that transaction and, in any event, from the time it would have been brought to the individual's attention if the organization had exercised due diligence.

§ 1-205.[n. b., different numbering in 2005 revision] Reasonable time; Seasonableness.

(a) Whether a time for taking an [action](#) required by [the Uniform Commercial Code] is reasonable depends on the nature, purpose, and circumstances of the action.

§ 1-303. [n. b., different numbering in 2005 revision] Course of Performance, Course of Dealing, and Usage of Trade.

(a) A "course of performance" is a sequence of conduct between the parties to a particular transaction that exists if: (1) the [agreement](#) of the parties with respect to the transaction involves repeated occasions for performance by a [party](#); and (2) the other party, with knowledge of the nature of the performance and opportunity for objection to it, accepts the performance or acquiesces in it without objection.

(b) A "course of dealing" is a sequence of conduct concerning previous transactions between the parties to a particular transaction that is fairly to be regarded as establishing a common basis of understanding for interpreting their expressions and other conduct.

(c) A "usage of trade" is any practice or method of dealing having such regularity of observance in a place, vocation, or trade as to justify an expectation that it will be observed with respect to the transaction in question. The existence and scope of such a usage must be proved as facts.

(d) A course of performance or course of dealing between the parties or usage of trade in the vocation or trade in which they are engaged or of which they are or should be aware is relevant in ascertaining the meaning of the parties' [agreement](#), may give particular meaning to specific terms of the agreement, and may supplement or qualify the terms of the agreement. A usage of trade applicable in the place in which part of the performance under the agreement is to occur may be so utilized as to that part of the performance.

(e) Except as otherwise provided in subsection (f), the express terms of an [agreement](#) and any applicable course of performance, course of dealing, or usage of trade must be construed whenever reasonable as consistent with each other. If such a construction is unreasonable: (1) express terms prevail over course of performance, course of dealing, and usage of trade; (2) course of performance prevails over course of dealing and usage of trade; and (3) course of dealing prevails over usage of trade.

(f) Subject to Section [2-209](#), a course of performance is relevant to show a waiver or modification of any [term](#) inconsistent with the course of performance.

§ 1-304. Obligation of Good Faith.

Every [contract](#) or duty within [the Uniform Commercial Code] imposes an obligation of [good faith](#) in its performance and enforcement.

§ 1-305. Remedies to be Liberally Administered.

(a) The remedies provided by [the Uniform Commercial Code] must be liberally administered to the end that the [aggrieved party](#) may be put in as good a position as if the other [party](#) had fully performed but neither consequential or special damages nor penal damages may be had except as specifically provided in [the Uniform Commercial Code] or by other rule of law.