

554.2106 Definitions: “contract” — “agreement” — “contract for sale” — “sale” — “present sale” — “conforming” to contract — “termination” — “cancellation”.

1. In [this Article](#) unless the context otherwise requires “*contract*” and “*agreement*” are limited to those relating to the present or future sale of goods. “*Contract for sale*” includes both a present sale of goods and a contract to sell goods at a future time. A “*sale*” consists in the passing of title from the seller to the buyer for a price ([section 554.2401](#)). A “*present sale*” means a sale which is accomplished by the making of the contract.

2. Goods or conduct including any part of a performance are “*conforming*” or conform to the contract when they are in accordance with the obligations under the contract.

3. “*Termination*” occurs when either party pursuant to a power created by agreement or law puts an end to the contract otherwise than for its breach. On “*termination*” all obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

4. “*Cancellation*” occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of “*termination*” except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance.

[C24, 27, 31, 35, 39, §9930, 9940; C46, 50, 54, 58, 62, §554.1, 554.12; C66, 71, 73, 75, 77, 79, 81, §554.2106]

[2022 Acts, ch 1032, §95](#)

Referred to in [§554.2103](#), [554.7102](#), [554.9102](#), [554.13103](#)