



PROGRESSIVE SERVICES, INC.

March 10, 2008

TCPN
7145 W. Tidwell
Houston, TX 77092
Attn: Jason Wickel, Director

Dear Jason,

Please let this letter serve as a Novation Agreement for our TCPN contract #R 4819 with our following family affiliated companies;

A. W. Farrell and Son, Inc.
3761 Lake Shore Drive
Dunkirk, NY 14048
(Corporate Office)
Contact – Mr. Bill Farrell

Carolina Roofing, Inc.
1316 N. Long St.
Salisbury, NC 28144
(Corporate Office)
Contact – Mr. Bob Farrell

RoofUSA LLC
3761 Lake Shore Drive
Dunkirk, NY 14048
(Corporate Office)
Contact – Mr. Bill Farrell

The purpose of this Agreement is to allow these companies to utilize our TCPN contract. Progressive Services, Inc. will still administer the contract for any sales they initiate in their areas, per all of the specifications within the contract.

This should not be construed to mean that Progressive Services, Inc. is relinquishing our contract. The contract will stay in full force and effect except as modified by this Agreement.

Sincerely,

Mark Farrell
Vice President

Novation

From Wikipedia, the free encyclopedia

This article is on the legal term. For the keyboard company, see Novation Digital Music Systems; for the former modem manufacturer, see Novation CAT.

Novation is a term used in contract law and business law to describe the act of either replacing an obligation to perform with a new obligation, or replacing a party to an agreement with a new party. In contrast to an Assignment , a novation must be agreed upon by all the parties to the original agreement [1]. The obligee, the person receiving the benefit of the bargain, must only be given notice. The obligor, the party making the novation, must only make the new obligor aware and receive consent from the new obligor. A contract transferred by the novation process transfers all duties and obligations from the original obligor to the new obligor.

For example, if I had a contract with you to cut my lawn and if John had a contract with me to cut his lawn, we could novate both contracts and replace it with a single contract wherein you agree to cut John's lawn. Contrary to assignment, novation requires the consent of all parties. Consideration is still required for the new contract but it is usually assumed to be the discharge of the former contract.

The criteria for one possible successful novation are: the complete acceptance of the liability by the new obligor, the acceptance of the new obligor by the obligee, and the acceptance by the obligee of the new contract as full performance of the old contract.[1]

Novation is also used in futures/options trading markets to describe a special situation where the clearing house takes all positions with all the brokers, buying all the brokers sell, and selling all that the brokers buy.

In business, novation is typically the process by which a newly formed corporation assumes the pre-incorporation liabilities incurred by its founders. Novation is also used in transactions through electronic exchanges.

References

1. Duhaime's Contract Law Center. 2. Always Legal Associates, Inc.



Contract Law

Part of the common law series

Contract

Contract formation

Offer and acceptance · Mailbox rule
Mirror image rule · Invitation to treat

Firm offer · Consideration

Defenses against formation

Lack of capacity to contract

Duress · Undue influence

Illusory promise · Statute of frauds

Non est factum

Contract interpretation

Parol evidence rule

Contract of adhesion

Integration clause

Contra proferentem

Excuses for non-performance

Mistake · Misrepresentation

Frustration of purpose · Impossibility

Impracticability · Illegality

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Privity of contract

Assignment · Delegation

Novation · Third party beneficiary

Breach of contract

Anticipatory repudiation · Cover

Exclusion clause · Efficient breach

Fundamental breach

Retrieved from "<http://en.wikipedia.org/wiki/Novation>"

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Remedies

Specific performance

Liquidated damages

Penal damages · Rescission

Quasi-contractual obligations

Promissory estoppel

Quantum meruit

Subsets: *Conflict of law*

Commercial law

Other areas of the common law

Tort law · Property law

Wills and trusts

Criminal law · Evidence

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