

Deepening Your Analysis: Contracts

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This report walks through your Contracts essay side by side with a model Band 6 analysis. For each issue, you will see your analysis, the model analysis, and targeted commentary on what to sharpen. The goal is not to rewrite your essay -- it is to show you the specific analytical moves that separate a strong answer from a top-band answer. At the end, you will find concrete rewrite examples that turn conclusory sentences into the kind of element-by-element reasoning graders reward.

Issue 1: Parol Evidence Rule -- Enforceability of the Oral Label Agreement

YOUR ANALYSIS

Under the parol evidence rule, evidence of prior contemporaneous written or oral agreements is barred if the agreement is a final and complete integration of all terms in the agreement. A final and complete integration is one where all the terms to the agreement were included but were not exclusive. If the agreement is not complete, it is a partial integration where not all the terms were included. The presence of a merger clause or statement of final integration are usually included in a final integration. However, if this clause or statement is missing, then one can reasonably conclude that the agreement is a partial integration. If an agreement is a partial integration, extrinsic evidence of a supplement can be introduced with consistent additional terms.

Here, the seller is trying to introduce extrinsic evidence that there was an oral agreement that the buyer continue to use the seller's label as long as he sells red wines. The written agreement did not include any of these terms and did not include any merger clauses or statements of a complete agreement. Since this clause or statement is missing a court can assume that the agreement is a partial integration. The buyer may argue that the terms are not consistent additional terms and are intended to modify the agreement. However, the extrinsic evidence can be introduced because the terms reflect the additional terms that were left out of the agreement.

MODEL ANALYSIS

Under the Parol Evidence Rule, extrinsic evidence of prior or contemporaneous oral agreements may not be introduced to contradict or vary the terms of a written contract that the parties intended to be the final expression of their agreement. The scope of the PER depends on the degree of integration. A **completely integrated** writing is final as to all terms, while a **partially integrated** writing is final only as to the terms it contains. Where a writing is only partially integrated, evidence of **consistent additional terms** is admissible -- particularly if such terms are part of a collateral agreement that would not ordinarily be expected to appear in the main written document.

Here, the written agreement does not contain a merger or integration clause, which would typically indicate that the parties intended it to be the complete and exclusive expression of all terms. The absence of this clause supports the conclusion that the writing is only partially integrated.

The oral agreement regarding the label **does not contradict** any term of the written agreement -- the writing is entirely silent on the label issue, meaning the oral term supplements rather than contradicts the writing. Furthermore, a personal labeling arrangement is the type of term that **might naturally be omitted** from a lengthy business sale contract, as it relates to a specific marketing preference rather than the core financial terms of the transaction. This supports treating it as a **collateral agreement** -- one that parties would not ordinarily include in the main contract.

Because the writing is only partially integrated and the oral label agreement is a consistent additional term that does not contradict the writing, the evidence of the oral agreement is admissible under the PER, and the agreement is enforceable.

COMMENTARY

Your rule statement and issue identification are strong. You correctly identified that the absence of a merger clause points toward partial integration, and you reached the right conclusion. To move from Band 5 to Band 6, focus on two analytical gaps:

First, explain *why* the oral term does not contradict the writing. You mention that the buyer might argue the terms are not consistent, but you dismiss this without explaining the key point: the writing is *silent* on the label issue, so the oral term supplements rather than contradicts. This distinction matters to graders -- it shows you understand the difference between adding a new term and changing an existing one.

Second, apply the collateral agreement analysis. The model answer explains *why* a labeling arrangement might naturally be left out of a business sale contract -- it is a marketing preference, not a core financial term. This is the kind of fact-to-rule connection that demonstrates analytical depth. Your answer asserts the terms were "left out" but does not explain why that omission makes sense, which is what makes the collateral agreement argument persuasive.

Build this habit: After identifying a term as a "consistent additional term," always add a sentence explaining why that term would naturally be left out of the main contract. Try this template: *"This type of term -- [describe it] -- would not ordinarily be expected in a [type of contract] because [reason], which supports treating it as a collateral agreement."*

Issue 2: Contract Interpretation -- Ambiguity of "Fair Share"

YOUR ANALYSIS

Under the Parole Evidence Rule (PER), extrinsic evidence of prior contemporaneous written or oral agreements is barred when an agreement is a final integration. However, extrinsic evidence may be introduced by the court if a term is ambiguous between the parties. The evidence is used not to modify the contract but to clarify and give meaning to the ambiguous term. Even if the contract is fully integrated courts allow extrinsic evidence to be introduced. Prior negotiations between parties are an acceptable source of extrinsic evidence to interpret an ambiguous term.

Here, the term fair share is ambiguous and extrinsic evidence can be introduced to clarify the term. The parties included in their written contract that "fair share of the winery's profits" would be given to the seller. The parties are disputing the fair share of the amount, the buyer saying 20%, while the seller says it is 25%. Since fair share is ambiguous and the parties are both disputing the term, extrinsic evidence can be introduced to clarify the meaning.

MODEL ANALYSIS

Under the PER, extrinsic evidence is generally barred to contradict or vary the terms of an integrated writing. However, an important exception exists for the **interpretation of ambiguous terms**. A term is ambiguous when it is **reasonably susceptible to more than one meaning**. When a term is found to be ambiguous, the PER does not bar the admission of extrinsic evidence -- including evidence of prior negotiations -- to ascertain the meaning the parties intended.

Here, the written agreement provides that Buyer will pay Seller a "fair share" of the winery's first-year profits. This term is ambiguous because it **does not define what percentage or amount** constitutes a "fair share," and **reasonable minds could differ** on its meaning. Indeed, the parties themselves assigned different values during negotiations -- Buyer suggested 20% and Seller suggested 25%. The fact that the writing does not define "fair share" with any specificity means the term is susceptible to multiple reasonable interpretations.

Because "fair share" is ambiguous, the PER exception for interpretation applies. Evidence of the negotiations is **directly relevant** to explaining the meaning the parties intended when they agreed to this term. This evidence is not being used to add a new term or contradict the writing -- it is being used to **give meaning to a term the parties included but left undefined**.

Therefore, Seller may introduce evidence of the negotiations under the interpretation exception to the PER.

COMMENTARY

You identified the correct exception and reached the right conclusion. Your rule statement is solid, and you correctly noted that even fully integrated contracts allow extrinsic evidence to interpret ambiguous terms. Two refinements would elevate this to Band 6:

First, explain why the term is ambiguous -- do not just assert it. You wrote that "fair share is ambiguous" as a starting premise, but the grader needs to see the analytical step that gets you there. The model answer explains that the contract does not define what percentage or amount constitutes a "fair share" and that *reasonable minds could differ* on its meaning. That one sentence -- explaining what makes the term susceptible to multiple interpretations -- is the difference between asserting ambiguity and *proving* it.

Second, connect the specific evidence to the specific interpretive task. You mention the 20%/25% dispute, but the model answer explicitly frames this evidence as being used "to give meaning to a term the parties included but left undefined" -- not to add a new term or contradict the writing. This framing shows the grader you understand precisely *why* the evidence falls within the exception.

Build this habit: Whenever you identify a term as ambiguous, immediately follow with the reason. Try: *"The term '[X]' is ambiguous because the contract does not define [what it means], and it is reasonably susceptible to more than one interpretation -- as demonstrated by [specific factual evidence of different meanings]."*

Issue 3: Enforceability of the Non-Compete Agreement

YOUR ANALYSIS

A covenant for a non-compete agreement is a restraint on trade and is only enforceable if there is a reasonable scope, duration, and a limitation on the geographic area. Courts are more likely to enforce a noncompete agreement if it is in the interest of the sale of a business and the buyer has a legitimate interest in protecting that interest when buying the property. The scope and the geographic limitation must not go further than to protect the buyer's interest. The duration must be reasonable. Courts will likely void or modify a non-compete agreement if any of the elements are found to be unreasonable.

Here, the buyers claim that the seller was in breach of the non-compete agreement because the seller was set to retire, which may not be a breach due to the unreasonableness of the terms. The Seller would not own or operate a winery anywhere in the United States for ten years after closing. The elements of reasonableness may be unreasonable because it severely limits the geographic scope and the duration. The geographic scope set to the entire United States is unreasonable because it limits the seller to not operate in an entire country. The duration may also be unreasonable because ten years is a very long period. However, buyer may argue that the woman was set to retire anyway and her entering the market again would severely impact his business. The court can modify or void the terms of the non-compete to make it more reasonable.

MODEL ANALYSIS

Covenants not to compete are restraints on trade and are strictly construed. A non-compete is enforceable only if it is reasonable in three respects: (1) it must be necessary to protect a **legitimate business interest**; (2) it must be reasonable in **geographic scope**; and (3) it must be reasonable in **duration**. In the context of the sale of a business, courts are generally **more willing** to enforce non-competes than in the employment context, because the buyer has a legitimate interest in protecting the goodwill of the business purchased.

Here, Buyer has a legitimate interest in protecting the goodwill of the winery he purchased for \$3 million. Seller's personal reputation was closely tied to the business -- as evidenced by the use of her picture on the wine label. Buyer's interest in preventing Seller from capitalizing on that reputation to divert customers is legitimate.

However, the geographic scope -- "anywhere in the United States" -- is likely unreasonable. The scope should be **no broader than necessary** to protect the buyer's legitimate interest. Buyer purchased a **single winery in a specific location**. Preventing Seller from operating any winery in the entire country goes far beyond what is needed to protect that goodwill. Seller opened her new winery "in another state...far from her original winery," which suggests the new venture does not directly threaten Buyer's customer base. A more narrowly tailored restriction -- perhaps covering the state or region surrounding the original winery -- would be sufficient.

The 10-year duration is questionable, though courts in sale-of-business cases may allow longer durations because the seller's goodwill can have lingering value. However, combined with the overbroad geographic scope, the overall restraint is excessive.

Because the geographic scope is unreasonably broad, the covenant is likely unenforceable. Some courts may modify the restriction to make it reasonable (blue pencil doctrine), but if the court declines to modify, Buyer would not prevail because the underlying covenant is unenforceable.

COMMENTARY

You identified the correct framework and reached a defensible conclusion. Your rule statement includes all three prongs of the reasonableness test, and you correctly noted that courts can modify overbroad non-competes. Three refinements would push this to Band 6:

First, develop the legitimate business interest analysis with specific facts. You mention that buyer has a legitimate interest, but the model answer connects this to *specific facts*: the \$3 million purchase price, Seller's picture on the label, and the goodwill tied to her personal reputation. Graders reward this kind of fact-specific reasoning because it shows you

are applying the law to *this* situation, not reciting a general rule.

Second, avoid circular reasoning on geographic scope. You wrote that the scope is "unreasonable because it limits the seller to not operate in an entire country" -- but that restates the scope rather than analyzing it. The model answer explains *why* a national scope is excessive: Buyer purchased a *single winery in one location*, so a national ban goes far beyond protecting the goodwill of that one business. The fact that Seller's new winery is "far from" the original further supports this -- it does not threaten Buyer's actual customer base.

Third, acknowledge the sale-of-business distinction. Courts treat non-competes in business sales differently than employment non-competes. Longer durations and broader scopes are more tolerable when a buyer paid for goodwill. The model answer uses this nuance to strengthen the analysis -- even in this more permissive context, a national scope for a single winery is excessive. Showing the grader you understand this distinction demonstrates analytical sophistication.

Build this habit: When analyzing reasonableness, never just label something as "unreasonable." Instead, use this structure: "*The [element] is unreasonable because [specific fact about the restriction] exceeds what is necessary to protect [specific interest], given that [specific fact about the business context].*" This forces you to connect scope to interest on every prong.

Conclusory Analysis vs. Proper Analysis

Below are four sentences from your essay rewritten to show the difference between asserting a conclusion and building toward one. In each pair, the analytical step that is missing from the original is the step that graders are looking for.

1. Integration status

CONCLUSORY

"Since this clause or statement is missing a court can assume that the agreement is a partial integration of the agreement."

REWRITTEN

"The written agreement does not contain a merger or integration clause -- which would typically indicate that the parties intended the writing to be the complete and exclusive expression of all terms. Without such a clause, the writing is final as to the terms it contains but is not necessarily a complete expression of every term the parties agreed upon, supporting the conclusion that it is only partially integrated."

2. Ambiguity identification

CONCLUSORY

"Since fair share is ambiguous and the parties are both disputing the term, extrinsic evidence can be introduced to clarify the meaning."

REWRITTEN

"The term 'fair share' is ambiguous because the contract does not define what percentage or amount it encompasses, and reasonable minds could differ on its meaning -- as demonstrated by the parties' own differing proposals of 20% and 25% during negotiations. Because the term is reasonably susceptible to more than one interpretation, the PER exception for interpretation applies, and extrinsic evidence of the parties' prior negotiations is admissible to ascertain the meaning they intended."

3. Geographic scope analysis

CONCLUSORY

"The geographic scope set to the entire United States is unreasonable because it limits the seller to not operate in an entire country."

REWRITTEN

"The geographic scope of 'anywhere in the United States' extends far beyond what is necessary to protect Buyer's legitimate business interest. Buyer purchased a single winery in one location, so a nationwide restriction is not necessary to protect the goodwill of that one business. The fact that Seller opened her new winery in a distant state further demonstrates that the restriction is overbroad -- her new venture does not threaten Buyer's actual customer base or the goodwill he purchased."

4. Buyer's counterargument

CONCLUSORY

"However, buyer may argue that the woman was set to retire anyway and her entering the market again would severely impact his business."

REWRITTEN

"Buyer could argue that he has a legitimate interest in protecting the winery's goodwill, given that Seller's personal reputation was closely tied to the business -- as evidenced by her picture on the wine label. Buyer paid \$3 million for this goodwill, and Seller's return to the wine industry could divert customers who associate quality with Seller's name. However, this legitimate interest must be weighed against the overbroad scope of the restriction, which goes far beyond protecting the goodwill of a single winery."

Kate, this is a strong first submission. You identified every issue correctly, your rule statements are well-organized, and your conclusions are sound. A Band 5 means you are already above passing expectations -- the distance to Band 6 is not about learning new law. It is about **depth of application**.

The pattern across all three issues is the same: you state the rule accurately, apply it to the facts in general terms, and reach the right conclusion -- but the analytical step between rule and conclusion needs more development. Graders are looking for the specific reasoning that connects *these particular facts* to *these particular legal elements*. Three specific habits to build:

1. Prove, do not assert. When you identify something (ambiguous, unreasonable, partially integrated), immediately follow with the reason. "X is ambiguous *because* the contract does not define it and reasonable minds differ" is stronger than "X is ambiguous."

2. Use specific facts as evidence. The dollar amounts, the label with Seller's picture, the distance between the wineries -- these are the facts that make your analysis specific to this problem. Every time you state a conclusion, ask yourself:

which fact in the prompt proves this?

3. Develop both sides before concluding. Your non-compete analysis would be stronger if you fully developed Buyer's legitimate interest before explaining why the scope still exceeds it. Acknowledging the strongest counterargument and then explaining why your conclusion survives it is what makes analysis persuasive.

Keep writing. You have the issue-spotting and organization. The analytical depth will come with repetition.

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