

**Lien:** a charge, security or encumbrance upon property.

**Liquidated damages:** the sum which a party to a contract agrees to pay for breach of contract and, which to be enforceable must be a reasonable estimate of the actual loss resulting from the breach.

**Litigation:** a general term referring to legal proceedings.

**Misrepresentation:** any manifestation by words or other conduct of one person to another, that amounts to an assertion not in accordance with the facts; it may be fraudulent or innocent.

**Mistake:** exists as a defence in law suits relating to contracts where there exists a mutual mistake of fact so fundamental as to preclude the meeting of minds essential for the formation of a contract.

**Order-in-Council:** Order approved by a special committee of Cabinet and signed by the Governor General of Canada. It is usually a statutory requirement for certain legal events to be accomplished.

**Partnerships:** a partnership does not have the status of a legal person. Partners are agents of one another so that a contract signed by one partner and relating to the business of the partnership will bind all partners personally.

**Party:** one of the persons concerned or taking part in any affair, matter, contract, transaction, or proceeding.

**Patent:** a grant of privilege, property, or authority, made by the government or sovereign of a country to one or more individuals. A patent for an invention gives the inventor the exclusive right to make, use and sell the invention.

**Performance guarantee:** a security instrument whereby a third party offers to assume, perform and satisfy all of the outstanding obligations of the contractor should the contractor default.