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APPLICABLE LAW

The UCC governs contracts for the sale of goods. A good is something which is physical and tangible. The common law governs contracts not dealing with the sale of goods and are generally for the sale of land or services.

Here, Bob and Charlie have contracts for goods because the item being sold is a car. Art has a contract for services because he is acting as a sales agent for Sam.

Thus, Bob and Charlie's contracts are governed by UCC and Art's contract is governed by the common law.

CONTRACT FORMATION

A contract requires offer, acceptance, and consideration. An offer must present a manifestation in the offeree's mind that the offeror wishes to be bound. It must contain a promise, definite and certain terms, and communication. Under the UCC, definite and certain terms are quantity. Under the common law, they are the nature and value of the services. Silence does not govern acceptance; it must be active. Consideration is bargained-for detriment that has legal value. The amount of value is not important; rather, it must be "more than a mere peppercorn."

1. BOB

OFFER

SEE RULE ABOVE

Here, Bob saw a for sale sign in the car, and mailed a signed letter offering to pay \$250,000.00 to Sam. This offer contained a promise to pay for the car (single car, UCC definite term) and was communicated to Sam.

Thus, we have a valid offer.

ACCEPTANCE & SOF

SEE RULE ABOVE GENERALLY

Under the most contracts, an oral agreement is valid. However, certain agreements are only valid when there is signed writing under the statute of frauds. Goods over \$500 need to satisfy

the writing requirements under SOF. Part performance under SOF will satisfy the SOF.

Here, Sam called Bob and accepted the offer over the phone. This does not amount to acceptance because there is no writing or part performance. Had one of them mailed or faxed a contract there would have been evidence satisfying the SOF. Had Bob handed over a down payment this would have also satisfied the SOF. Unfortunately, neither of these things happened.

Thus, Sam's acceptance of Bob's offer over the phone does not satisfy the acceptance requirements of the SOF and there was no valid contract.

CONSIDERATION

No discussion, because acceptance was not valid.

REMEDIES

Generally remedies are available for breach of contract.

Here, there was no valid acceptance from Sam to Bobs offer.

Thus, Bob has no remedies because no contract was formed.

2. CHARLIE

OFFER

SEE RULE ABOVE GENERALLY

Here, Charlies drove to Sams and made him an oral offer for \$300,000.00. This offer contained a promise to pay, definite and certain terms (quantity the car) and Charlie said that he would mail the contract to Sam that same day. The oral offer does not govern because it was not accepted when Sam said he would "think about it" Nor would that satisfy the writing requirement SOF as noted above. However, here, Sam mailed and offer the same day to Sam. This mailed contract contained what was orally discussed, and is the offer we must operate under because Sam did not accept the oral offer.

Thus, the mailed contract constitutes an offer.

ACCEPTANCE & MAILBOX RULE

SEE RULE ABOVE GENERALLY.

When an acceptance is posted in the mail, it takes effect at the time of posting.

Here, Sam took the contract Charlie gave him, and placed it in an envelope with a stamp and dropped it in a mailbox. Under the mailbox rule, this is an acceptance.

Thus, Sam accepted Charlie's offer.

CONSIDERATION

SEE ABOVE

Here Sam did not have to sell his car to Charlie, and Charlie did not have to make an offer of \$300,000.00. Therefore, both sides have bargained for a legal detriment.

Thus, consideration is present.

REMEDIES

Here, there are no adequate legal remedies because Charlie wants his property and not money damages. We can assume this because the car is one of 500 and worth \$300,000. Therefore we will assume equitable remedies.

SPECIFIC PERFORMANCE

SP requires a valid contract, conditions met, mutuality, feasibility and no defences.

Here, we have a valid contract. Charlie is ready willing and able to perform, and there was mutuality between he and Sam. However, Sam is dead, and thus the mutuality no longer exists. Charlie and Ned were not parties to the contract.

Thus, we cannot have specific performance because there is no mutuality between Sam and Ned.

CONSTRUCTIVE TRUST

A constructive trust will be found when a party is unjustly enriched, and it would be unjust for them to have the benefit of the bargain. Bonafide purchasers for value will always receive their property.

Here Ned was never a party to a valid contract. He obtained the car as a windfall via Sam's death. Therefore Ned was unjustly enriched when the property moved from Sam to Ned because he did not pay valuable consideration. Here Ned will be estopped from keeping the car because he was unjustly enriched and Charlie was a BFP.

Thus, Charlie should get his car under a constructive trust.

3. ART

VALID CONTRACT

SEE ABOVE

Here, our facts state that we have a valid contract that contained an offer, acceptance and consideration. The definite and certain terms are governed by the CL and stated nature of the agreement would as his "exclusive agent" in selling the car and the value of the services would be 10% of the sale price.

Thus, there was a valid contract.

ANTICIPATORY REPUDIATION

AR is when a party unambiguously and unequivocally says that they will no longer perform under the contract. When a party repudiates they may retract the repudiation up until the point that the other party acts in reliance, cancels the contract, asks for assurance of performance, or brings suit. Upon repudiation a party may sue, cancel the contract or ask for assurances.

Here Sam called Art after he thought he had formed a contract with Bob and unequivocally cancelled the contract by saying "he was terminating their agreement." At this point Art was vested with a number of rights which are outlined above. Furthermore, had Sam NOT called Art the formation of an actual contract with Charlie as noted above would have acted as an IMPLIED repudiation because performance was no longer possible.

Thus, Sam repudiated the contract with Charlie, and Charles now has vested rights.

REMEDIES

ACTUAL COMPENSATORY

The value of the contract.

Here Art was owed 10% of any sale under the contractual terms. As Sam repudiated, Sam will be able to claim actual compensatory damages of 10% x \$300,000.00 which amounts to \$30,000.00

Thus, Art is owed \$30,000.

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