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CALL 1

DID BATH (B) and SCENTS (S) HAVE A BINDING CONTRACT AND IF SO DID EITHER PARTY BREACH THE CONTRACT? If THERE WAS A BREACH OF CONTRACT, WHAT DAMAGES ARE LIKELY TO BE RECOVERED?

In order to determine the rights and remedies of B and S it is necessary to determine the applicable law with govern B and S agreement:

Applicable Law

There are 2 bodies of law which govern contract agreement. The CLL, which relates to Services and Verbrucher and the Uniform Commercial Code, UCC which deals with Goods. Goods are all movable items identified to the contract.

Here, because the item of transaction is a good, ^{1,000} Candles the uniform Commercial Code (UCC) will govern the agreement between B and S.

FORMATION OF CONTRACT.

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The issue is whether B and S formed a binding Contract?

A valid Contract requires an offer, not terminated, timely accepted and supported with a Consideration.

OFFER

An offer is a present manifestation of present intent to be bound which creates in the mind of the offeree the power to accept the offer.

Here B a retailer located in Betaville sent S an inquiry, in Sunville, a signed offer to purchase 1000 individually wrapped candles at a price of \$10.00 free on board Rob. Betaville. S promptly sent B a signed acknowledgment accepting the offer.

Because B made a present intent to be bound and signed the offer to S. Therefore was an offer

Acceptance — Was B's offer Accepted?

Acceptance under UCC is unequivocal assent to be

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band. As discussed above, S accepted B's offer via signed acknowledgment accepting the offer

Therefore S accepted the offer and Acceptance ^{element} offer element is met.

Termination

An offeror B can freely terminate offer to S before a timely acceptance, either by ① Revocation ② Rejection ③ By operation of law

Here, because B did not revoke and S timely accepted B's offer there was no termination.

The next issue is whether there was a Consideration?

CONSIDERATION

A valid contract must be supported with consideration - a bargained for legal detriment.

Here, because B offered to pay S \$10,000 for 1000 individually wrapped candles. Therefore there was a consideration b/c neither party was legally obligated to exchange 1000 candles for \$10,000 respectively.

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Therefore there was consideration for the offer & accepted.

Additional Terms — Between Merchants

An issue is whether B, note that boxes containing the candles were water damaged was material to the agreement?

Merchants Def.

Are people who regularly deal with items familiar in the context or have special knowledge.

Here B is a retailer and S is an importer, because both are merchants, additional terms will be removed under U.C.C.

The additional terms of damaged water boxes was not material and as Merchant B's non response was an acceptance of the candles arrived in water damaged boxes.

SOP — Subsequent Memorandum

Is satisfied because both parties signed the agreement but more so with B who was the purchaser.

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Conclusion

B and S formed a binding contract duly accepted, and there are no defenses to formation.

B vs S

The issue is whether there was a breach.

Breach is failure to perform a mature obligation.

Performance under the contract can be full performance or perfect tender.

Here performance was satisfied via perfect tender B/C while 1/4 of the candles, amidst in water damage, boxes 3/4 were in mint boxes. and the All Candles were individually wrapped and undamaged.

Contract Price was \$10,000 for 1,000 candles

S salvaged the rejected candles at \$9,000

DAMAGE- Expectation \$1,000.00 to S

Therefore S is owed \$1,000 in damages, for rejecting a perfectly tendered ordered candles.

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Incidental Cost

S is also entitled to incidental damage resulting from
Selling The Candles. — \$5000.

Case II

B v H.

Has B or H Breached Their Contract? If so
What Damages ARE LIKELY to BE RECOVERED?

The facts stipulate that B and H entered into
a valid & written Contract, Both of whom were merchants
discussed above.

Here, B offers to purchase 1000 candles from H
at the price of \$12,000 FOB Hatfield. w/TP Trucks
and as the transporters each further state that the
Truck carry the Candles were damaged (melted) by
lightning — an Act of God. The issue when the
~~net~~ risk of loss passed to whom

Risk of Loss (ROL)

ROL Passes when the goods of delivery are tendered to the

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Truck Co: These for Truck Co bears the risk of loss, ordinary as a third party delivery. The good

Act of God is similar to Death of a party.

Here, due to the destruction of the Candles was not due to the fault of either party, both parties are discharged from the contractual agreement.

Conclusion.

Neither party breached, and neither party received. Parties are discharged from their contractual obligations. It should ~~stand~~ hold to its insurance coverage for the loss.