

Contracts Final  
Aiona/2017  
Question One

Student No.

ISSUE LIST: QUESTION ONE

- I. Common Law/UCC
- II. Contracts between Oregon and Centralia.
- III. Valid assignment to Bank of plywood.
  - void language ineffective against assignment of accounts
  - oral assignments valid
  - immediate notice given of assignment
- IV. Contract and assignment of shingles and flooring invoice to Lender.
- V. Flooring contract
  - impossibility defense
  - modification of contract done in good faith
- VI. Shingles contract
  - breach by Centralia
- VII. Bank v. Oregon
  - valid assignment on plywood
  - offset by shingles and flooring obligations
- VIII. Lender v. Oregon
  - valid assignment on both
  - valid, good-faith modification of flooring contract
  - offset by obligations in flooring contract and shingles
- IX. Oregon v. Lender
  - cannot recoup deposit made
- X. Takeover v. Oregon
  - no rights assigned to Takeover
  - even if valid assignment, offset by Centralia obligations
- XI. Bank, Lender, Takeover v. Centralia
  - breach of warranty

Comments:

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Question Two

Student No.

ISSUE LIST: QUESTION TWO

I. Contract Formation?

- UCC Article 2
- Offer by Peter or just expression of interest?
- Sales confirmation – offer or acceptance?

If acceptance, must do a 2-207 analysis. Additional term re damages just proposal if Peter not a merchant

- Peter's call – counteroffer (includes all terms in form?). Cirrus oral acceptance or indication that not intend to be bound until formal contract?
- Significance of formal contract? Acceptance by the home office? 2207 re terms?

II. Defenses?

- Statute of Frauds (goods over \$500)? Peter's original fax good enough? Peter's cancellation letter?
- Impracticability (defense of Cirrus vs. Ralph)? Frustration (defense of Peter vs. Cirrus)?

III. Terms?

- March 1 delivery date? Part of contract if acceptance by Cirrus was by phone. If formal document controls, parol evidence problem?
- Limitation of damages clause part of contract? 2207 analysis – fact that Peter already read form and knew of clause?

IV. Ralph v. Cirrus?

- Intended 3PB? Appropriate to allow right to sue?
- If so, subject to all formation issues and defenses per above – including impracticability and limitation of damage clause. Certainty of loss profits? Mitigation of damages by taking another flight?

V. Ralph v. Peter?

- Insufficient facts to determine if contract or promissory estoppel

VI. Cirrus v. Peter?

- Analyze all formation issues and defenses per above. Additional issue: is Cirrus a lost volume seller – gets second profit?

Comments: