Comprehensive Compendium of
In-Class Problems for Sales

>>> WITH ANSWERS <<<

Fall 2016
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My aim in creating this document has been to collect all the in-class problems we did over the semester that appeared in some written form, other than those in the casebook.

Included here are the problems from the ungraded second-day test in August, the review problems we went over in class in September (regarding Topic 3: The Process of Sales Contract Formation), problems from the Topic 14 slideshow,[1] and the problems we went over in November toward the end of the semester. Some problems we went over twice, sometimes with minor wording changes, so here I have synthesized the different versions and eliminated duplicates.

Not included here are some yes-or-no or discussion questions found in slideshows.[2]

Some stipulations:

- All facts take place wholly within the United States unless otherwise specified.
- Unless the name of a real jurisdiction is used, all facts take place in one or more hypothetical states that have enacted the Uniform Commercial Code as we have studied it in class and as it has been reproduced in the statutory supplement.
- Assume that all monetary amounts are in United States dollars, unless expressly stated otherwise.

Contents:

[1] The answers for the Topic 14 slideshow were discussed in class but not provided in writing with the slideshow. In this document, I provided those answers in writing.
[2] E.g., the topic 5A & 7A slideshows.

Multiple-choice problems 1-5 regarding various topics

MC 1. In the case of *Swift v. MWC Water Supply Corp.,* a residential consumer, Swift, is suing a corporation, MWC, under a contract by which MWC agreed to sell water to be delivered by underground pipe to Swift. According to Swift's complaint, MWC breached the contract by failing to supply water for a week, leaving Swift unable to cook, clean, or bathe at home.

Note that UCC § 2-105 provides, in part:

> (1) "Goods" means all things (including specially manufactured goods) which are movable at the time of identification to the contract for sale other than the money in which the price is to be paid, investment securities (Article 8) and things in action. "Goods" also includes the unborn young of animals and growing crops and other identified things attached to realty as described in the section on goods to be severed from realty (Section 2-107).

Note that the New Oxford American Dictionary states the definition of "goods" as follows:

> merchandise or possessions: *imports of luxury goods*

Note also that uncontradicted expert testimony establishes that within the water industry, when the term "goods" is used in a contract, it is understood to not include water flowing through a pipe.

An initial issue facing the court is whether UCC Article 2 governs this transaction. Which of the following would represent the best analysis for the court to include in its opinion?

(A) "This court determines that flowing water is a 'good' under UCC Article 2. We must adhere to the definition in § 2-105, which defines 'goods' as things that are moveable at the time of identification. The water that is the subject of this contract for sale was moveable at the time of its identification to the contract, and therefore it must be included within the scope of 'goods' under the UCC; thus UCC Article 2 governs this transaction."

(B) "This court determines that water is a 'good' under this contract because we must interpret the word 'good' according to the UCC's policy of protecting consumers from abuse by merchant sellers. In this case, by construing the water to be a good, Swift benefits from various of the UCC's provisions. Therefore, as to this contract, water is a 'good,' and UCC Article 2 governs this transaction."

(C) "Water is embraced within 'goods' under the UCC because the court's job in interpreting the UCC is to use the commonly understood sense of its language, for which resort to a dictionary definition is appropriate. The New Oxford American Dictionary defines goods as 'merchandise or possessions.' This court determines that water fits within this definition. Therefore, the subject of the contract is goods, and UCC Article 2 governs the transaction."

(D) "This court determines that water is not 'goods' under the UCC. Upon the evidence submitted to it, this court finds that the common-sense definition of goods does not include water. And this court is bound to construe the provisions of the UCC first according to common-sense before resulting to the default definitions provided by the UCC. Therefore, the common law, and not the UCC, governs this transaction."

(E) "Uncontradicted expert testimony has established that flowing water is understood not to be embraced within the term 'goods' as it is used by the relevant industry in written contracts. Based on this, the court finds that the relevant usage of trade is to exclude water from goods, and therefore, with regard to the transaction before the court, water is not goods and the common law and not the UCC governs this transaction."

MC 2. Which of the following is most likely governed by UCC Article 2?

(A) the sale of a farm in Michigan
(B) the lease of an automobile in Montana
(C) the sale of lumber, where the buyer is in Maine and the seller is in New Brunswick, Canada
(D) the sale of lumber, where the buyer is in New Brunswick, Canada and the seller is in Maine
(E) the sale of a motorcycle, with the seller and buyer in Alabama

NOTE THE FOLLOWING FACTS FOR QUESTIONS 3, 4 AND 5:

Cut'n'Run v. Abbingdale Acres

Retailer Cut 'n' Run Convenience Stores and Abbingdale Acres, a supplier of food and dairy products, are both Texlahoma-based businesses that have done many deals in the past. Now, Cut'n'Run is suing Abbingdale Acres over a multi-million-dollar contract that had Abbingdale supply milk to all of Cut'n'Run's Texlahoma stores over a five-year term, which began two years ago. The parties dispute whether Abbingdale or Cut'n'Run is supposed to pay for increased shipping costs caused by rising fuel prices. There is a written agreement for the deal, but nothing is said in the document about the issue of increased shipping costs one way or the other.

MC 3. Consider the following facts that might be established at trial:

I. In all other dealings between the two companies – from ice cream to packaged snacks – Abbingdale has always absorbed increased shipping costs as a matter of course.
II. Over the past two years of this milk deal, Cut'n'Run has twice paid for increased shipping costs out of its own budget.
III. In the retail-convenience industry, retailers virtually always absorb increased shipping costs.

Which of the following correctly orders the above facts from most important to least important in establishing the terms of the deal about which Abbingdale and Cut'n'Run are now litigating?

(A) I, II, III
(B) II, I, III
(C) II, III, I
(D) III, I, II
(E) III, II, I

MC 4. Cassandra, an executive of Cut'n'Run, wants to testify that the CEO of Abbingdale Acres told her orally, right before the companies signed the five-year milk deal, "You know Cassandra, we will of course absorb any increased shipping costs caused by increased fuel prices – that's what I understand this deal to mean." Can Cassandra testify about this at trial?

(A) Yes, because it is relevant evidence that, on these facts, is admissible notwithstanding the UCC's parol evidence rule.
(B) Yes, because there is no parol evidence rule under the UCC.
(C) No, because the UCC's parol evidence rule bars the introduction of oral testimony in cases involving written contracts.
(D) No, because the UCC's statute of frauds bars the introduction of oral testimony in cases involving written contracts.
(E) No, because the oral evidence purports to vary the terms of the written agreement.

MC 5. [*This question continues from the facts of Question 4.*] Shortly after the deal between Cut'n'Run and Abbingdale Acres was signed, an in-house counsel at Cut'n'Run used the exact same writing to document Cut'n'Run's five-year bread-supply deal with Zimzo, a bakery based in Chiuango, Mexico. Now the same issue of who should absorb increased shipping costs has come up with Zimzo. Cut'n'Run executive Cassandra similarly wants to testify that the CEO of Zimzo assured her that Zimzo would absorb any increased shipping costs occasioned by increased fuel prices." Can Cassandra so testify at trial?

(A) Yes, because it is relevant evidence that, on these facts, is admissible notwithstanding the CISG's parol evidence rule.
(B) Yes, because there is no parol evidence rule under the CISG.
(C) No, because the CISG's parol evidence rule bars the introduction of oral testimony in cases involving written contracts.
(D) No, because the CISG's statute of frauds bars the introduction of oral testimony in cases involving written contracts.
(E) No, because the oral evidence purports to vary the terms of the written agreement.

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Short-answer problem regarding topic 1, *The Role and Scope of Codes in Sales Systems*

Problem 4[3]

You are a law clerk for the Supreme Court of Baja Manitoba. Your judge has asked you to draft an opinion in *Ramirez v. Lampey*, which will need to interpret the word "conspicuous" as it is used in Article 2, section 2-909 of the Baja Manitoba Commercial Code. (The Baja Manitoba Commercial Code is that state's adoption of the Uniform Commerical Code.)

There are cases from various states, including Arkassippi, Nevizona, Minnesconsin, and Wyorado that say that in various contexts of interpreting contracts, statutes, and administrative regulations, "conspicuous" should be interpreted to mean that something "stands out from its context."

A provision of Article 1 of the Baja Manitoba Commercial Code, however, says that "conspicuous" means "so written, displayed, or presented that a reasonable person against which it is to operate ought to have noticed it."

Which definition should the court use to interpret "conspicuous" in §2-909? Why?

The court should use the definition from Article 1. When the code defines its own words, we go with what the code says they mean.

[3] This was numbered no. 4 on the ungraded "second-day test" on August 25, 2016.

Short-answer problems regarding topic 3, *The Process of Sales Contract Formation*

Problem Set 301

- *Look at: 2-104(a), 2-205*
- **Background:** *Mitsutatchi Motors, U.S.A. of Toledo, Ohio is a major motorized equipment manufacturer and a leading seller of forklifts. Vayatom U.S.A. of Lexington, Kentucky uses forklifts constantly in its business and has a dedicated executive in charge of purchasing them and making sure they are properly operated and maintained.*

Problem 301-A1 (Review Problem 3-2-A)

Mitsutatchi Motors, U.S.A. sent Vayatom a firm offer for between 10 and 100 forklifts (model no. FGFL-800XL) at $28,000 each. The offer was signed, and it said on its face it was irrevocable and would expire in 60 days. Can Vayatom accept the offer and enforce it as a contract?

> This will be an enforceable firm offer under 2-205, because they are both merchants (see below), the writing was signed according to the facts, and the offer says on its face that it will be held open. The time period of 60 days does not exceed 2-205's three-month cap, so there's no problem with duration.
> Mitsutatchi is a merchant under 2-104(a) because as a major manufacturer that makes forklifts, they deal in goods of the kind, and Vayatom is a merchant because, per 2-104(a), they clearly have knowledge peculiar to the goods – the forklifts – since they have a dedicated purchase officer for them.

Problem 301-A2 (Review Problem 3-2-B)

Mitsutatchi Motors, U.S.A. sent Vayatom a firm offer for between 10 and 100 forklifts (model no. FGFL-800XL) at $28,000 each. The offer was signed, and it said on its face it was irrevocable and would not expire for three years. Can Vayatom accept the offer and enforce it as a contract?

> Yes – as long as they do so within three months. This will be an enforceable firm offer under 2-205 – the analysis is the same as above, with the only difference being that it will not be enforceable for the full term. Firm offers without consideration made enforceable via 2-205 are limited to being enforceable for three months.

Problem 301-B (Review Problem 3-2-C)

Mitsutatchi Motors, U.S.A. and Vayatom did a deal, evidenced by a signed writing, where, for a $3,000 fee, Mitsutatchi would hold open an irrevocable offer for three years for between 10 and 100 forklifts (model no. FGFL-800XL) at $28,000 each. Can Vayatom accept the offer after one year and enforce it as a contract?

> Yes. The offer is supported by consideration, so it is independently enforceable as a contract – what is commonly called an option contract.

Problem Set 302

- *Look at: 2-206, 2-207*
- **Background:** *Blastodyne is a major demolition firm. Octan Chemicals is a leading manufacturer of explosives and other industrial chemical compounds. Both companies are headquartered in and operate almost entirely within the United States.*

Problem 302-A1 (Review Problem 3-1-A)

Blastodyne sent a purchase order for 200 kg of TNT to Octan Chemicals. The purchase order provided that any dispute under the contract was to be litigated in the courts of New Jersey under the provisions of New Jersey law, and the purchase order specified that the TNT be warranted as defect-free for two years. Octan sent an order acknowledgment to Blastodyne for 200 kg of TNT with language specifying that the material would be supplied with no warranties of any kind. The order acknowledgement said nothing about dispute resolution.

Is there a contract? If so, what are its terms with regard to warranties and dispute resolution?

> Yes, there is a contract because under 2-207(1), the terms in the offer and acceptance don't need to be exactly the same.
>
> The warranty terms in the PO and OA are **different terms**, so according to the judicially crafted knock-out rule, neither controls the contract. Instead, gap-fillers come in. Since there are no facts suggesting gap-fillers on the basis of course of dealing or usage of trade, we apply the regular UCC provisions on warranties. So the TNT is sold with the implied warranty of merchantability.
>
> The dispute resolution terms in the PO went without any rejection or differing term from Octan. So Octan ended up accepting that as part of the deal when the accepted the offer. (Note that beyond 2-207(1), 2-207 is not implicated here.)

Problem 302-A2 (Review Problem 3-1-B)

Blastodyne sent a purchase order for 200 kg of TNT to Octan Chemicals. The purchase order provided that any dispute under the contract was to be litigated in the courts of New Jersey under the provisions of New Jersey law and specifying that the TNT be warranted as defect-free for two years. Octan sent an order acknowledgment to Blastodyne for 400 kg of inert clay with language specifying that the material would be supplied with no warranties of any kind. The order acknowledgement said nothing about dispute resolution.

Is there a contract? If so, what are its terms with regard to warranties and dispute resolution?

> No, there is no contract, because 400 kg of inert clay is so different from TNT that there's no plausible acceptance of the deal offered by Blastodyne.

BONUS: Assuming that the parties perform – Octan sends the clay and Blastodyne accepts, is there a contract? If so, what are its terms with regard to warranties and dispute resolution?

> Now there's a contract by conduct, so we go to 2-207(3) for the terms, and the writings don't seem to agree on anything, so we just use gap-fillers, and clay is sold with the implied warranty of merchantability, and there's court access for disputes.

Problem 302-A3 (Review Problem 3-1-C)

Blastodyne sent a purchase order for 200 kg of TNT to Octan Chemicals. The purchase order provided that any dispute under the contract was to be litigated in the courts of New Jersey under the provisions of New Jersey law and specifying that the TNT be warranted as defect-free for two years. Octan shipped 200 kg of TNT without sending an order acknowledgment. After discovering they had neglected to send an order acknowledgment, Octan sent Blastodyne an order acknowledgment stating that the material was supplied with no warranties of any kind.

Is there a contract? If so, what are its terms with regard to warranties and dispute resolution?

> Yes, there's an offer in writing and an acceptance by conduct (2-206).
>
> Are there warranties? Yes, because the contract was made (when Octan accepted by conduct) on the terms of Blastodyne's offer, which included warranties.

Problem Set 303

- *Look at: 2-206, 2-207*
- **Background:** *Hrenka-Hübner USA is small-arms manufacturer in the United States. It uses steel as a principal component in the products that it makes and sells. Monongahela Steel is a steel manufacturer in the United States.*

Problem 302-A1

Hrenka-Hübner sent a purchase order for 1 metric ton of domestically sourced steel to Monongahela Steel. The purchase order included standard terms and conditions providing that consequential damages would be available for seller's breach. Monongahela Steel sent back an order acknowledgement with standard terms and conditions providing that the steel would be domestically sourced, that consequential damages were excluded, that Hrenka-Hübner would pay by wire transfer within 30 days, and that all disputes would be settled by binding arbitration conducted by the World Federation of Arbitration. The steel is shipped and paid for.

Is there a contract? If so, what are its terms with regard to available damages, payment, and dispute resolution?

> Yes, there is a contract because under 2-207(1), the terms in the offer and acceptance don't need to be exactly the same.
>
> The damages terms in the PO and OA are **different terms**, so the knock-out rule says neither controls the contract. Instead, gap-fillers come in, so consequential damages will be available under 2-712, et seq.
>
> The payment terms and dispute resolution terms are additional. So we go to 2-207(2), which tells us additional terms become part of the contract unless certain circumstances apply.
>
> The only colorable circumstance for avoiding the additional terms is 2-207(2)(b), that the terms materially alter the deal. The payment doesn't look like it materially alters the deal. But arbitration looks like it does. So the payment terms probably stays in and the arbitration provision is likely not part of the contract.

Problem 302-A2

Hrenka-Hübner sent a purchase order for 1 metric ton of domestically sourced steel to Monongahela Steel. The purchase order included standard terms and conditions providing that consequential damages would be available for seller's breach. Monongahela Steel sent back an order acknowledgement with standard terms and conditions providing that the steel would be domestically sourced, that consequential damages were excluded, that Hrenka-Hübner would pay by wire transfer within 30 days, and that all disputes would be settled by binding arbitration conducted by the World Federation of Arbitration. The steel is shipped and paid for. Both the purchase order and the order acknowledgement contain language saying they are expressly made conditional on the assent of the other party to all terms.

Is there a contract? If so, what are its terms with regard to available damages, payment, and dispute resolution?

> This time there's no contract on the basis of the writings, since both the PO and OA said they were expressly made conditional on the assent of the other party to all terms. Neither party assented to all the terms, so the writing cannot form the contract.
>
> But the there is conduct evidencing a contract. So we go to 2-207(3) for the terms.
>
> Applying 2-207(3), we see that wherever the writings agree, that's part of the contract. That means the domestically-sourced requirement is part of the contract.
>
> Everything else is irrelevant, and gap-fillers fill in the rest.

Short-answer problems regarding topic 4, *Formation with Leases, International Sales, and Real Estate*

Background: *Mitsutatchi is a major motorized equipment manufacturer and a leading seller of forklifts. Vayatom Industries uses forklifts constantly in its business and has a dedicated executive in charge of purchasing them and making sure they are properly operated and maintained.*

Review Problem 4-1-A:

Mitsutatchi Motors in Nagoya, Japan sent Vayatom Industries in Lexington, Kentucky a firm offer for between 10 and 100 forklifts (model no. FGFL-800XL) at ¥2,800,000 each. The offer was signed, said on its face it was irrevocable, and that it would not expire for 60 days. Japan is a CISG signatory. Can Vayatom accept the offer and enforce it as a contract?

> Yes. The firm offer is enforceable. The applicable law here is the CISG, because the CISG is applicable under Article 1(1)(a), since the parties are in two different CISG contracting states and it's a contract for the sale of goods. The offer is enforceable even though there's no consideration because it fits CISG Article 16(2)(a)'s requirement of saying it was "irrevocable."

Review Problem 4-1-B:

Mitsutatchi Motors in Nagoya, Japan sent Vayatom Industries in Lexington, Kentucky a firm offer for between 10 and 100 forklifts (model no. FGFL-800XL) at ¥2,800,000 each. The offer was signed, said on its face it was irrevocable, and that it would not expire for three years. Japan is a CISG signatory. Can Vayatom accept the offer and enforce it as a contract?

Yes. The firm offer is enforceable. The analysis is the same as for 4-1-A. While the length of the firm-offer period would be too much under UCC 2-205, there's no duration limit under the CISG.

Review Problem 4-1-C:

Mitsutatchi Motors in Nagoya, Japan sent Vayatom Industries in Lexington, Kentucky a firm offer for between 10 and 100 forklifts (model no. FGFL-800XL) at ¥2,800,000 each. The offer was signed, said on its face it was irrevocable, and that it would not expire for three years. Japan is a CISG signatory. Can Vayatom accept the offer after two years and enforce it as a contract?

Yes. The firm offer is enforceable. The analysis is exactly the same as for 4-1-B.

Multiple-choice problems 6–8A regarding topics 5, 7, & 7A

MC 6. There was no writing evidencing Wendy's agreement to sell a $1,200 chair to Lilla. Which of the following would not be a good argument that the contract should be enforced despite the statute of frauds?

(A) The chair was specially manufactured for Lilla and no one else would want to buy it.
(B) Lilla relied to her detriment on Wendy's promise to sell the chair.
(C) Wendy admitted in writing, in a letter to Wendy's friend, that she had agreed to sell the chair to Lilla.
(D) Lilla already paid $1,200 to Wendy.
(E) Lilla already accepted delivery of the chair.

MC 7. The contract for which of the following transactions – none of which is evidenced by a writing – appears unenforceable?

(A) the one-day lease of a combine harvester for $400
(B) the sale of a combine harvester for $209,000, where buyer and seller have an established course of dealing using oral contracts for such deals
(C) the sale of a combine harvester for $209,000, where delivery of the machine was accepted and where full payment has been made
(D) the sale of a combine harvester for $209,000, where the seller is in Canada and the buyer is in the U.S.
(E) the licensing of software needed to run a GPS-enabled self-steering combine harvester

MC 8. Big Lucky Energy Partners LLP (Big Lucky) purchased a ZX-5000 oil drilling rig for $5,000,000 from Hexetron Petroleum Equipment Corp. (Hexetron). The rig is especially valuable to Big Lucky because it is capable of operating in what is known as "triple-double tamp-down mode," which increases drilling efficiency by over 300%. The signed, written sales agreement contains the following provision:

> Hexetron warrants that operation of the rig (including, without limitation, operation in what is known as "triple-double tamp-down mode") will not infringe on any patent held by Hexetron or any third party. Hexetron hereby indemnifies and holds harmless Big Lucky from any claim, allegation, demand, or judgment of patent infringement.

The sales agreement says nothing else regarding patents or licenses.

After the sale, Hexetron received a letter from Starline Intellectual Ventures (Starline), claiming that operation of the rig in triple-double tamp-down mode infringes the 8,776,655 patent, of which Starline is a co-owner. The letter offers to license the '655 patent to Big Lucky for $2,000,000 per year, which would dissipate nearly all the increased profit Big Lucky stood to make through its purchase and use of the ZX-5000 rig.

On a hunch, an executive with Big Lucky called up the other co-owner of the '655 patent, Zane Carson. Carson, who is friends with one of the investors in Big Lucky and who is angry at Starline, immediately said he was licensing the patent to Big Lucky, orally, over the phone, and on a gratis basis – that is, without any payment or compensation whatsoever.

Outside patent counsel has determined that the claim of patent infringement is justified and that the patent is valid. She also has explained that a patent can be validly licensed on a non-exclusive basis by any of its co-owners, and a licensee need only obtain a license from just one co-owner to be protected in case of litigation over the patent.

You represent Big Lucky. Given what you know, which of the following is the best advice for Big Lucky?

(A) "You do not need a license to operate the ZX-5000 in triple-double tamp-down mode. Because Hexetron fully indemnified Big Lucky for operation of the rig in this mode, no patent owners have rights against Big Lucky."

(B) "You do not need a license to operate the ZX-5000 in triple-double tamp-down mode, because such a license is implied in the sale of the rig, unless disclaimed."

(C) "You need a license to operate the ZX-5000 in triple-double tamp-down mode. You should offer to pay Carson a fee for the patent license, because like any other contract, a license is generally not valid unless supported by consideration. If Carson will not do a license for consideration, then you will need to license through Starline, although you could try to bargain down the fee first. Once you get a license, whether through Carson or Starline, you will be protected in case of a suit for breach of license."

(D) "You need a license to operate the ZX-5000 in triple-double tamp-down mode. You should ask Carson to put this purported gratis license in writing. While it is generally the case that licenses, like other contracts, need consideration to be binding, there is under the UCC an exception for written licenses evidenced by a writing signed by the licensor. If you get that, you will be protected in case of a suit for breach of license."

(E) "You need a license to operate the ZX-5000 in triple-double tamp-down mode, but thanks to Carson, you've got one. You should write him a thank-you letter, which will help serve as evidence of the license should this ever end up in litigation. But, strictly speaking, you don't need a writing for the license to have legal validity."

MC 8A.[4] Hexetron Global Solutions Systems and Oceanic Airlines agreed to a binding deal whereby Hexetron would sell a one-year license to Oceanic to reproduce copies of and use its copyrighted Digidustrial Infomology 9000 Software Suite in exchange for $1.5 million, due to be paid in 12 monthly installments. The software license was conditioned upon Oceanic making timely payments. Oceanic missed payments, but kept using and reproducing the software. What are good causes of action that Hexetron has against Oceanic?

(A) breach of contract, but not breach of license or copyright infringement
(B) breach of license, but not breach of contract or copyright infringement
(C) copyright infringement, but not breach of license or breach of contract
(D) breach of contract and breach of license, but not copyright infringement
(E) breach of contract and copyright infringement, but not breach of license
(F) breach of license and copyright infringement, but not breach of contract
(G) breach of license, copyright infringement, and breach of contract
(H) not any of breach of license, copyright infringement, or breach of contract

Short-answer problems regarding topics 5A & 6, *Basic Contract Interpretation* and *Parol Evidence with Sales of Goods and Modifications*

Review Problem 6-1-A:

Hrenka-Hübner in Texas, a small arms manufacturer, did a deal with Vayatom Industries, in Kentucky, for the purchase of several semi-automatic rifles for Vayatom's security force. The deal was written up as a "term sheet," which both parties signed, with a description of items, prices, and some other things. This is what the term sheet said about delivery:

> Delivery: at the loading dock, in cases

Hrenka-Hübner contends "the loading dock" means Hrenka-Hübner's loading dock in Texas. Vayatom contends it means Vayatom's loading dock in Kentucky. Both parties want to testify about what was said during negotiations because they say that this will explain what was meant by "loading dock." How should a court resolve this? What evidence can be considered?

> The court should hear the evidence because the term is ambiguous, and the aim in contract interpretation is to give effect to the intent of the parties. And there's no rule against letting this relevant evidence in to illuminate the parties' intent.

[4] This multiple-choice question comes from the ungraded "second-day test" on August 25, 2016. Since it was not done by hand and not with a scantron sheet, more than five answer choices were provided.

Review Problem 6-1-B1:

Hrenka-Hübner in Texas, a small arms manufacturer, did a deal with Vayatom Industries, in Kentucky, for the purchase of several semi-automatic rifles for Vayatom's security force. The deal was written up as a "term sheet," which both parties signed, with a description of items, prices, and some other things. This is what the term sheet said about delivery:

> Delivery: at the loading dock, in cases

The bottom of the term sheet has this:

> Deliveries are at buyer's place of business.

Hrenka-Hübner contends "the loading dock" means Hrenka-Hübner's loading dock in Texas. Vayatom contends it means Vayatom's loading dock in Kentucky. Both parties want to testify about what was said during negotiations because they say that explains what was meant by "loading dock." How should a court resolve this? What evidence can be considered?

> The term sheet says expressly that delivery is at buyer's place of business. So that's where it should be. Expressed written terms that are unambiguous control over what was said. We always start by looking in the four corners of the document.

Review Problem 6-1-B2:

Hrenka-Hübner in Texas, a small arms manufacturer, did a deal with Vayatom Industries, in Kentucky, for the purchase of several semi-automatic rifles for Vayatom's security force. The deal was written up as a "term sheet," which both parties signed, with a description of items, prices, and some other things. This is what the term sheet said about delivery, in handwriting:

> Delivery: at the seller's loading dock, in cases

The bottom of the term sheet has this:

> Deliveries are at buyer's place of business, at the loading dock.

Hrenka-Hübner contends "the loading dock" means Hrenka-Hübner's loading dock in Texas. Vayatom contends it means Vayatom's loading dock in Kentucky. How should a court resolve this? What evidence can be considered?

> The term sheet is ambiguous. Delivery at seller's and buyer's are both reasonable interpretations. But, the handwritten terms control, so delivery is at seller's place of business.

Review Problem 6-1-C:

Hrenka-Hübner in Texas, a small arms manufacturer, did a deal with Vayatom Industries, in Kentucky, for the purchase of several semi-automatic rifles for Vayatom's security force. The deal was written up as a "term sheet," which both parties signed, with a description of items, prices, and some other things. This is what the term sheet said about delivery, in handwriting:

> Delivery: at the loading dock, in cases

The bottom of the term sheet has this:

> This contract document contains the full and complete expression of the parties with respect to this deal and is a fully integrated contract.

Hrenka-Hübner contends "the loading dock" means Hrenka-Hübner's loading dock in Texas. Vayatom contends it means Vayatom's loading dock in Kentucky. Both parties want to testify about what was said during negotiations because they say that explains what was meant by "loading dock." How should a court resolve this? What evidence can be considered?

> The court should hear the parol evidence. The parol evidence rule does not bar this evidence, because it's not varying or adding to the terms of the contract. The contract is ambiguous on the delivery place, so we can always have parol evidence to eliminate ambiguities.

Short-answer problems regarding topic 7, *Requisites to Formalization in Leases, International Sales, and Real Estate Sales*

Background: *Hexetron Aerospace is a major aerospace manufacturer and a leading seller of jet engines. Oceanic Airlines is a major international airline. Both are U.S. companies doing business in the U.S.*

Review Problem 7-1-A:

Hexetron Aerospace does a deal over the phone with Oceanic Airlines for the lease of 10 new J-906 turbojet engines. The lease term is one year, renewable each year for a total of 10 years. The initial lease payment, due now, before delivery, is $10 million. For each renewal year, an additional $10,000 is due. At the end of the lease, Oceanic may exercise an option to purchase for $10,000. The day after making this deal, Oceanic receives an offer from a rival manufacturer for much less money. Is this an enforceable lease?

> It's not a lease at all – it's a disguised sale. And in terms of whether it is enforceable, probably not because of the statute of frauds. Unless you are in one of those jurisdictions where you can sue and try to get an admission in court proceedings. Since very little time has passed, it doesn't sound like there's a reliance interest, and no other exception seems to apply.

Review Problem 7-1-B:

Hexetron Aerospace does a deal over the phone with Oceanic Airlines for the lease of 10 new J-906 turbojet engines. The lease term is one year, renewable each year for a total of 10 years. The initial lease payment, due now, before delivery, is $2 million. For each renewal year, an additional $1.2 million is due. At the end of the lease, Oceanic may exercise an option to purchase for $1 million. At that time, the jet engines are expected to be worth between $1 million and $2 million. The day after making this deal, Oceanic receives an offer from a rival manufacturer for much less money. Is this an enforceable lease?

> Yes, this one looks like a lease because at the end of the lease, there will be real economic value in the goods. And the option to purchase is not a token amount of money. No, this does not seem enforceable, because this deal needs a signed writing since $15 million is more than $1,000. §2A-201. Unless some exception applies, and that analysis is the same as above.

Review Problem 7-1-C:

Representatives of Hexetron Aerospace do a deal in-person – with a handshake and no signed document – with representatives of Oceanic Airlines for the lease of 10 new J-906 turbojet engines. The lease term is one year, renewable each year for a total of 10 years. The initial lease payment, due now, before delivery, is $2 million. For each renewal year, an additional $1.2 million is due. At the end of the lease, Oceanic may exercise an option to purchase for $1 million. Later in the day, the representatives on both sides sign a piece of paper with only the following:

> November 10, 2016
> Lease contract entered into: Hexetron Aerospace -w- Oceanic Airlines
> 10 new J-906 turboket enfines
> Initial term: 1 year
> Renewable for 5 years
> Initial lease payment due now
>
> YLee HWQuintola

The day after making this deal, Oceanic receives an offer from a rival manufacturer for much less money. Is this an enforceable lease?

> The lease is enforceable under UCC §2A-201 because it reasonably identifies the goods and states the term. It's okay that it misstates the term of the lease, but the lease can't be enforced beyond the term stated in the writing. §2A-201(3). (Misspellings don't invalidate it either.)

Background: *Hexetron Aerospace, a U.S. business, is an aerospace manufacturer and a leading seller of jet engines. AeroAtlantique is a European airline based in Toulouse, France. France is a CISG signatory. Canada World Airways is a Canadian airline.*

Review Problem 7-2-A:

Representatives of Hexetron Aerospace attend the Paris Air Show at Le Bourget Airport in France. They do a deal in-person – with a handshake and no signed document – with representatives of AeroAtlantique for the sale of 40 new J-801 turbojet engines for $11 million each. Is this an enforceable contract for sale?

> Yes, because oral contracts are enforceable, and the CISG has no statute of frauds.

Review Problem 7-3-A:

Representatives of Hexetron Aerospace attend the Paris Air Show at Le Bourget Airport in France and do a deal with Canada World Airways. The deal is in the form of a 56-page written agreement signed by representatives of both companies. The agreement contains the following:

> MERGER CLAUSE: This agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

The agreement says nothing about warranties. Later, in a dispute, Hexetron claims Canada World Airways agreed orally at the time the deal was made that the warranty on the engines would be limited to replacement of parts with no allowance for the labor cost in making repairs. Can Hexetron introduce evidence of this alleged oral agreement in the litigation?

> Yes, because the CISG applies, since the parties are in different countries. And the CISG has no parol evidence rule – so the testimony can come in. The merger clause doesn't prevent this.

Review Problem 7-3-B:

Representatives of Hexetron Aerospace attend the Paris Air Show at Le Bourget Airport in France do a deal with Canada World Airways. They do a deal in the form of a 56-page written agreement signed by representatives of both companies. The agreement contains the following:

> MERGER CLAUSE: This agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this agreement.
>
> CHOICE OF LAW: This agreement shall be governed exclusively by the law of Texas, USA.

The agreement says nothing about warranties. Later, in a dispute, Hexetron claims Canada World Airways agreed orally at the time the deal was made that the warranty on the engines would be limited to replacement of parts with no allowance for the labor cost in making repairs. Can Hexetron introduce evidence of this alleged oral agreement in the litigation?

> Yes, because CISG applies, since this is a deal between parties in Canada and USA – both CISG countries. And the CISG has no parol evidence rule. All relevant evidence of the intent of the parties is admissible. Texas is part of the USA, and the USA is a signatory to CISG, so Texas law in this case requires application of the CISG.

Review Problem 7-4-A:

Bethany Banks is purchasing a split-level ranch home from Stevie Stockwell. They do a deal in-person – with a handshake and no signed document – for the sale of the home for $400. Is the contract for sale enforceable?

> No, because under the governing common law, the statute of frauds requires a signed writing for contracts for the sale of land.

Review Problem 7-4-B:

Bethany Banks is purchasing a split-level ranch home from Stevie Stockwell. They do a deal in-person – with a handshake and no signed document – for the sale of the home for $400,000. Is the contract for sale enforceable?

> No, the analysis is the exact same as for 7-4-A. The amount doesn't make a difference.

Review Problem 7-4-C:

Bethany Banks is purchasing a split-level ranch home from Stevie Stockwell. They do a deal for the sale of the home for $400,000. They sign the following to memorialize their deal:

> November 10, 2016
> Sale of:
> 456 Coventry Estates Place
> Parksville, Texlahoma
> at agreed-upon price
> Bethany Banks
> Stevie Stockwell

Is the contract for sale enforceable?

> No, because the common-law statute of frauds requires all material terms, generally, to be in the signed writing. The price is a material term, and it's missing. So the deal is unenforceable.

Short-answer problem variation regarding topic 5, *Statute of Frauds with Sales of Goods*

Review Problem X-4-D:

Bethany Banks is purchasing a 1965 Ferrari GT California from Stevie Stockwell. They do a deal for the sale of the car for $400,000. They sign the following to memorialize their deal:

> November 10, 2016
> Sale of:
> 65 Ferrari GT California
> in Parksville, Texlahoma
> at agreed-upon price
> Bethany Banks
> Stevie Stockwell

Is the contract for sale enforceable?

> Yes, because this is a sale of goods, governed by the UCC, and the statute of frauds is satisfied by this writing, since it evidences the contract and it is signed.

Short-answer problems regarding topics 8–13 on warranties

Background: *Hexetron Aerospace, a U.S. business, is a leading aerospace manufacturer. WZX FM is a radio station that plays hit music. UKEA is a large retailer of Norwegian-styled furniture.*

Review Problem W-1-A:

Hexetron Aerospace's Hot-Air Balloon Systems Division sells UKEA a Fresh Aire V hot-air balloon. UKEA tries to operate the balloon for promotional purposes at the city balloon festival, but the fabric is too heavy for the balloon to stay aloft in most ordinary weather conditions, and the stitching is too weak to keep the balloon safely structurally intact. Does UKEA have a good warranty claim?

> Yes, there's a good warranty claim here. There's an IWoM because Hexetron is a merchant. The ordinary purpose of a balloon is to float, and this one doesn't.

Review Problem W-1-B:

Hexetron Aerospace's Hot-Air Balloon Systems Division sells UKEA a Fresh Aire V hot-air balloon. UKEA never unpacks the balloon, deciding not to attend the city balloon festival. Instead, they sell it to radio station WZX for them to use for promotional purposes and to give rides to call-in contest winners. But the radio station discovers that the fabric is too heavy for the balloon to stay aloft in most ordinary weather conditions, and the stitching is too weak to keep the balloon safely structurally intact. Does WZX have a warranty claim?

> For IWoM, yes, probably as to Hexetron, since they are a merchant. But no as to UKEA, since they are not merchants with respect to hot-air balloons. With regard to the IWoFfaPP, maybe yes as to UKEA, since they were aware of WZX's purpose.

Review Problem W-1-C:

Hexetron Aerospace's Hot-Air Balloon Systems Division sells WZX a Fresh Aire V hot-air balloon after WZX asks for a balloon that will work well for the city balloon festival. The fabric is too heavy for the balloon to stay aloft given the atmospheric conditions prevailing at the city balloon festival. Does WZX have a warranty claim?

> Yes as to IWoFfaPP, since WZX expressly asked for a balloon that would work well at the festival, so Hexetron knew about that, and they gave them a balloon that doesn't work for that.
>
> Yes as to the IWoM, because Hexetron is a merchant. And the warranty is implied unless disclaimed, which this wasn't.

Review Problem W-2-A:

[Continued from W-1-C]: Unable to use the balloon at the city balloon festival, WZX takes it to a place with a different elevation and colder air. Then they take the balloon aloft. The weak stitching causes the balloon to come apart in the air, causing personal injury to radio station employees. Does WZX have a warranty claim? Do the employees?

> Hexetron is a merchant of balloons, so there is an implied warranty of merchantability, and it is breached by a balloon that falls out of the sky, because the ordinary purpose of balloons is to stay in the sky. WZX has a warranty claim as the buyer/owner of the balloon, and the employees do maybe, depending on whether this jurisdiction has UCC 2-318's A B or C alternative. Yes under B or C, but no under A.

Multiple-choice questions 9–12 regarding topics 8–14, 16–17 & 22 on warranties, commercial impracticability, title, and remedies

NOTE THE FOLLOWING FACTS FOR QUESTIONS 9 AND 10:

VovolTrac is a manufacturer of vehicle trailers based in Elkhart, Indiana, selling about 2000 trailers per year. They do many different kinds of sales. Just last month, VovolTrac sold a VVB-60 boat trailer it manufactured to George Yinkan for $4000, with delivery taken at VovolTrac's manufacturing facility in Elkhart. VovolTrac also sold 10 VVB-60 boat trailers it manufactured to the Canada Border Services Agency (CBSA), a Canadian government agency responsible for border enforcement. Those trailers were transported by a third party to a CBSA facility in Ontario, Canada. And also last month, VovolTrac sold a metal-bending machine – which it had used for years to bend metal as part of its manufacturing operations – to Ridgefield College of Technology (Ridgefield Tech), a private university with a very strong mechanical engineering program. In making the sale to Ridgefield Tech, the VovolTrac's chief operations officer Linda Rezerna explained that VovolTrac had a great amount of knowledge and expertise in metal bending and metal bending machines. Linda even suggested – without making an explicit promise – that if Ridgefield Tech bought the machine, VovolTrac employees would be able to come to Ridgefield Tech to explain how to use it.

MC 9. Based on the facts given, and assuming no other facts, which sales would include an implied warranty of title?

(A) the sales to George Yinkan, CBSA, and Ridgefield Tech
(B) the sales to George Yinkan and CBSA, but not Ridgefield Tech
(C) the sales to George Yinkan and Ridgefield Tech, but not CBSA
(D) the sales to Ridgefield Tech and CBSA, but not George Yinkan
(E) not any of the sales to George Yinkan, CBSA, or Ridgefield Tech

MC 10. Based on the facts given, and assuming no other facts, which sales would include an implied warranty of merchantability?

(A) the sales to George Yinkan, CBSA, and Ridgefield Tech
(B) the sales to George Yinkan and CBSA, but not Ridgefield Tech
(C) the sales to George Yinkan and Ridgefield Tech, but not CBSA
(D) the sales to Ridgefield Tech and CBSA, but not George Yinkan
(E) not any of the sales to George Yinkan, CBSA, or Ridgefield Tech

◈ ◈ ◈

MC 11. Vayatom and Hexetron Heavy Industries entered into a written, signed sales contract, whereby Vayatom would purchase three large steam turbine generators for commercial power generation at $25 million each. Vayatom has now backed out of the deal.

Hexetron can scale its operations to produce more or fewer turbine generators. If there were additional demand for selling three such turbine generators to another customer, Hexetron could have ramped up capacity to produce three additional units. Therefore, the lost sale represents $75 million in lost revenue.

There were also corporate-finance implications of Vayatom's breach. Hexetron is a publicly traded company, and since Vayatom backed out of the transaction, Hexetron has lost 4% of its share price. This has scuttled a secondary stock offering Hexetron had planned, causing the company to resort to corporate bond issuances to raise needed capital, a more expensive option than a stock offering, resulting in a further loss of $60 million to the corporate bottom line.

Note the following:

I. Contract-price/market-price-differential damages measured by the difference between the contract price of $25 million and the market price of the turbine generators at the time of tender, multiplied by three, which is the number of units Vayatom was to buy
II. Consequential damages from the losses associated with the cancelled secondary stock offering and increased costs of capital obtained through the bond issuance
III. Lost-profits damages

Which describes damages that would likely be available for breach if Hexetron prevails in a lawsuit against Vayatom?

(A) I, but not II or III
(B) I and II, but not III
(C) I and III, but not II
(D) I, II, and III
(E) not any of I, II, and III

MC 12. In which situation will complete destruction of the good or goods before delivery (and before risk of loss has passed to the buyer) completely excuse performance?

(A) The contract is for "10 metric tons of industrial grade aluminum."
(B) The contract is for "2,000 units of Team USA Luge t-shirts in sizes and design as specified on the attached list."
(C) The contract is for "a 2008 white Ford F-150 XL pickup truck."
(D) The contract is for "the Pontiac Trans Am used to portray KITT in the final scene of Season 1, Episode 5 of the original Knight Rider TV series."
(E) The contract is for "luxury office furnishings suitable for three offices and one conference room, such rooms being as shown on the attached blueprint."

Short-answer problems regarding topic 14, *Commercial Impracticability*

Note: *These problems are from the Topic 14 slideshow.*

Hurricane Jaden, Part 1:

The weather says Hurricane Jaden will make landfall in two days. Bob contracts to purchase 30 sheets of plywood from Sally to board up the windows on Bob's building, delivery set for the next day. When Sally goes to procure the plywood from the wholesaler, the price has gone up by 2000%. Sally wants to avoid the contract. Can she?

> No, assuming it's the hurricane that caused the price increase. UCC §2-613 doesn't apply because these aren't particular sheets of plywood. And UCC §2-615 won't allow the contract to be avoided because §2-615 requires impracticability to be caused by some unforeseen contingency. Yet at time of contracting in this deal, everyone knew the hurricane was coming.

Hurricane Jaden, Part 2:

Hurricane Jaden causes massive damage to a custom-restored 1946 Studebaker automobile that car collector Brenda had contracted to purchase from classic-car broker Selena for $860,000. Brenda was willing to pay so much for the car because it had been prominently featured in the blockbuster movie Fatal Death (tagline: "Murder's never been so deadly.") The car was completely flooded and a collapsing roof caused by the winds smashed the back half of the car. Selena wants to avoid the contract. Can she?

> No. This is a partial loss, and thus under §2-613 the contract can only be avoided at the buyer's option. Selena as the seller, can thus not avoid the contract. Brenda, as the buyer, has the option to avoid the contract or to take the car with a "due allowance" in price.

Short-answer problems regarding topics 20–25 on closing, risk of loss, and remedies:

Review Problem CLR-1-A:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Unfortunately, because Sam was negligent in not correctly hitching the trailer to his truck, the trailer became unhitched in the Rockies in Colorado and the trailer plunged over a cliff, destroying the DeLorean. Who will bear the loss?

Sam will. It was his own negligence.

Review Problem CLR-1-B:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. The contract specifically provided that title transferred to Ben at the moment the DeLorean first left the state of Florida. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Unfortunately, because Sam was negligent in not correctly hitching the trailer to his truck, the trailer became unhitched in the Rockies in Colorado and the trailer plunged over a cliff, destroying the DeLorean. Who bears the risk of loss?

Sam still does. It was his own negligence.

Review Problem CLR-1-C:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Sam made it all the way to Seattle, and then when he pulled up to Ben's house, Ben said, "Take it back. I've decided not to buy it." Sam then found a buyer for the DeLorean, but back in Miami, and for only $60,000. Sam incurred $4,000 in costs taking the car back to Miami. What result?

Ben wrongfully rejected delivery. That's a breach. Since Ben was should be able to get resale damages. That's KP – RP + ID – ES. That's $88,000 – $60,000 + $4,000 – $0. Ben is on the hook for $32,000.

Review Problem CLR-1-D:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Sam made it all the way to Seattle, and then when he pulled up to Ben's house, Ben said, "Take it back. I've decided not to buy it." Unfortunately, Sam couldn't find a buyer for the DeLorean despite his very diligent efforts. It turns out while Sam was on the road, a warehouse filled with 200 DeLorean Time Machines was discovered in the Nevada desert outside of Las Vegas, and everyone around the world who wanted a DeLorean Time Machine then bought one. What result?

> Ben wrongfully rejected delivery. That's a breach. Since Ben was unable to resell despite reasonable efforts, an action for the price appears appropriate. He can get the $88,000. Ben will get to keep the DeLorean.

Review Problem CLR-1-E:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Sam made it all the way to Seattle, and then when he pulled up to Ben's house, Ben noticed that the car didn't look like the one in the picture that Sam had provided to Ben. "The picture you gave me of the car you said I was buying showed lit-up LED lights and a Mr. Fusion reactor. This DeLorean just has stickers instead of real lights and no Mr. Fusion." "Whatever," Sam answered. "I sent you a stock photo. My car's close enough." "No, it's not, Ben said. I'm not taking it." What result?

> Ben rightly rejected delivery. The tender was not exactly as called for in the contract. Ben can reject on that basis. That's the perfect tender rule. Ben can avoid the contract.

Review Problem CLR-1-F:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Sam made it all the way to Seattle, and then when he pulled up to Ben's house, Ben was excited to see the car. He looked it over and noticed that the car didn't have the Mr. Fusion device like the one in the picture that Sam had provided to Ben. But Ben took the keys anyway. Sam drove back to Miami. A few weeks later Ben decided he wanted Sam to make good on the lack of a Mr. Fusion. What result?

> Ben accepted delivery with knowledge of the non-conformity. He can't revoke. On these facts, he has no remedy.

Review Problem CLR-1-G:

Sam Sandsen of Miami made a contract to sell his DeLorean Time Machine to Ben Boyden of Seattle for $88,000. As part of the deal, Sam had to transport the vehicle to Seattle for Ben to take delivery. Sam decided to transport the DeLorean to Seattle by driving it himself by towing it behind his truck in a covered vehicle trailer. Sam made it all the way to Seattle, and then when he pulled up to Ben's house, Ben was excited to see the car. He looked it over and noticed that the car didn't have the Mr. Fusion device like the one in the picture that Sam had provided to Ben. But Ben took the keys anyway. "Does everything work inside? I don't have time to look it over or turn anything on because I'm about to leave for the airport in five minutes to catch a flight to Tokyo for ComicCon. I'll be there for a month." "Oh yeah," Sam answered. "It's in perfect working order. No worries." Sam drove back to Miami. The day Ben got back from his trip, he excitedly ran out to his DeLorean, but he found that nothing worked. The doors wouldn't open without being winched. And none of the lights inside worked. What result?

> Ben accepted delivery with knowledge of the non-conformity of the Mr. Fusion, but not the problems with the doors or lights. It might be too late for him to revoke acceptance expect that he delayed a full inspection and delayed revocation because of Sam's assurances. So under 2-608 he can now revoke.