

# Contract scenario



Recently, Danny Davidson sold a family home to his friends Paul and Priscilla Peterson whereby entering into a \$250, 000 verbal agreement for the purchase of new home. However, Danny neglected to tell Paul and Priscilla about Ned the neighbor and the emerging dispute pertaining to the boundaries of the south property. Once the purchase was final the Petersons proceeded to invest an estimate of \$65, 000 for landscaping as well as implementing a new Italian bathtub in the bathroom.

As the Peterson's proceed to upgrade their new home cracks developed in the new tile whereby causing the bathroom floor to sink because of a landscaping issue with the soil on the property. Subsequently, a breach of contract emerged whereby causing the Peterson's to file a suit against their friend. Valid or Invalid Contract " According to Kubasek, et al, legally binding contract must include the necessary elements " such as," legal object, capacity along with consideration (2012, p. 306).

However, in the scenario the couple entered a verbal agreement with a friend for the purchase of the home " thereby," contingent on the information provided by a friend. The consideration estimated \$250, 000 for the purchase of the home. Nevertheless, neither of the entities were minors or endured some form of mental illness or legally intoxicated whereby indicating that each party was in complete capacity entering the aspects of a verbal agreement. Consequently, the contract was legally binding because the instrument met the necessary elements of the legal object, consideration, and capacity renders the validity of the contract enforceable.

Breach and Statue of Fraud Conversely, the agreement between Danny and the couple lacked the elements of genuine assent because of a failure to  
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disclose pertinent information pertaining to the neighbor's boundary dispute along with the existing issues with the soil. Danny misrepresented as well as withheld information "in order," to sell the house to the Petersons. Although the contract was valid "yet," the Peterson's suit claiming breach of contract lacked the aspects of genuine assent. When entering a contractual agreement each entity should enter freely.

"Sometimes," to obtain acceptance the offeror will implement improper measures "such as," misrepresenting or non-disclosure of pertinent information employing undue influence, fraud as well as duress. Under these circumstances the offeree can implement the enforceable agreement defense "especially," if the agreement lacks genuine assent (Kubasek, et al, 2012, p. 306). "According to," the Statutes of Fraud implementing a verbal agreement serves as a violation whereby assuming that the contractual agreement was not in writing nor filed or recorded. Agreements pertaining to the sale of land must be in writing.

The rationale is because without a paper trail the agreement is non-existent (Kubasek, et al, 2012, p. 408). Although a written agreement does not incur specific requirements "however," the individual's names, address along with the object and terms of the contract, consideration, and signature of each entity are the necessary elements for developing a valid contract (Kubasek, et al, 2012, p. 411). Defenses and Remedies Assuming that the couple would order a property inspection Danny made the decision to withhold pertinent information pertaining to the issues with the soil.

Even though an inspection was not performed "but," this does not explicate rationale of Danny's choice for non-disclosure of his dispute with Ned the

neighbor's boundary issues on the south side of the property. To rectify the situations pertaining to the soil and property dispute Danny could order a land surveyor along with providing a reimbursement to his friends for the incurring damages. Perhaps if Danny chooses these options could mend a long-time relationship along with eliminating a possible legal battle.

“ On the other hand,” the Petersons could take an alternate route by pursuing legal recourse for breach of contract whereby making it necessary to terminate both the relationship as well as the verbal agreement without seeking any other damages. Nevertheless, it would look as if the entities are leaving money on the table by ending the contractual relationship without pursuing further damages. Even though litigations are costly “ however,” the parties perceive that termination serves as means of relational retaliation (Wilkerson-Roger & Hoffman, 2010, p. 1044). Trial or ADR

Several measures can assist with resolving the Davidson and Peterson dispute involves implementing alternate dispute resolution measures “ including,” litigation. Conversely, measures to resolve ongoing disputes emerge in various forms along with employing a third party to make decision in difficult situations through mediation and negotiations. Implementing these particular measures decreases the cost of legalities. Moreover, negotiations, and mediations are quick and fair whereby allowing each entity to part in the process of decision-making ultimately saving the relationship.

Furthermore, relationships tend to deteriorate because of the cost and time spent in litigation. Contract Administration and Recommendations Clearly, the Petersons and Danny Davidson did not adhere to the principles of the contract creation. Even though the party's main focus was on the contracts

creation “ however,” the parties did not secure the central functions, and definitions as well as compliance, and functional details of the agreement. Hence, the legalities of the agreement would not have been a concern for the Statues of Fraud if the parties were entering into a written contract.

As a consultant, to remedy the situation between the Petersons and Danny Davidson would require the negotiating of a new sales contract for the house. In addition to, creating new a legal contract that is valid and enforceable provides a future evidence of an existing agreement. Conclusion The aspects of verbal and oral contracts are not always recognized or enforceable even if the essential elements are visible. Nevertheless, entering a verbal contract should be put into words that indicated the agreements conditional terms along with the signatures of the parties involved provides visible evidence of an existing contract.