

Law of sales and the uniform commercial code(slp)

Business



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Introduction The UCC (Uniform Commercial is one of laws governing the sale of goods in most all the s in the USA apart from Louisiana. Article 2 of the statute only governs a contract for the sale of goods and the goods must be tangible and movable. Other types of transactions are governed by the different Article in the UCC. Laws on the sale of real estate and the sale of services are different from laws on the sale of goods, and they are excluded from Article 2. A service contract may be covered by the provisions in Article 2 insofar as it involves the transfer of goods, and courts may use Article 2 as a reference for interpreting laws on the sale of services.

The Blank Contract

The blank contract used is of an agreement is made on 26th day of March 1998 between

European Aviation Limited, who is " The Seller" and American Aircarriers Support Incorporated, who is the buyer (Onecle, 1998).

The two parties agreed to the following actions:

1. 2. " Delivery" means the tender of the Aircraft by the Seller to the Buyer and the acceptance of the Aircraft in accordance with the terms of this contract.

1. 3. Delivery Date means the actual date on which Delivery was affected.

1. 4. Purchase Price means the sum of 1. 1 million US Dollars (one million, one hundred thousand United States Dollars) per aircraft.

2. Sale of the Aircraft

2. 1. Going by the conditions set out in this agreement, the Seller will sell the Aircraft to the Buyer and the Buyer will purchase the Aircraft from the Seller for the Purchase Price.

2. 2 The payment of the Purchase Price shall be made in full by means of

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telegraphic transfer of immediate available funds to the Sellers account maintained with National Westminster Bank, Bournemouth Branch, The Square, 5 Old Christchurch Road, Bournemouth, BH1 1DU, UK, (US Dollar Account No. 06236820).

3. Delivery

3. 1. Delivery shall take place on or before 27 March 1998.

3. 2. Upon request the Seller shall complete and the Buyer shall sign a Delivery Certificate in duplicate in the form set out in the second schedule and each party shall retain one copy of it.

3. 3. Immediately following Delivery the Seller shall take all necessary steps to enable the Buyer to be registered as owner.

3. 4. Unless otherwise agreed in writing between the parties delivery shall take place at Bournemouth International Airport, Bournemouth, before which the Buyer has inspected all technical documentation and agreed that it is to his satisfaction.

3. 5. Delivery of the Aircraft shall include the original historical records pertaining Aircraft and Engines. The delivery will be deemed complete if some conditions are met, the first condition being that only after the Seller has delivered the original and complete historical records, and the Buyer has inspected and accepted the original and complete historical records, will the contract be complete. The second condition is that the inspection will include the current AD/SB status of the Aircraft and Engines, as well as documents showing complete traceability to zero of the Life Limited Parts of the Aircraft and Engines and all records are accepted by the Buyer. If the above conditions are met, then the Sellers responsibility for delivery of the Aircraft will have been completed. The Buyer shall acknowledge such delivery and <https://assignbuster.com/law-of-sales-and-the-uniform-commercial-codeslp/>

acceptance by the execution of Exhibit C.

3. 6. The Buyer agrees after accepting delivery of the aircraft to remove the aircraft from the Sellers premises within seven working days, unless communication is made in writing between the two parties on another date. All costs associated with the removal of the aircraft from the Sellers premises will be to the cost of the Buyer. If the Buyer is unable to take the aircraft after seven days, then the Seller will be able to invoice the Seller parking charges on a per day basis.

Explanation

The most important information is to know the kind of goods dealt with to understand the particular article of the UCC that governs the contract. As explained in the introduction, Article 2 of the UCC only governs movable and tangible goods; the next thing will be to look at the kind of goods dealt with in this contract.

From the above agreement, European Aviation Limited, who is the seller based in the UK is selling some aircrafts to American Aircarriers Support Incorporated, based in South Carolina, USA. In this scenario, the statute, being the UCC, will apply to contract by the very fact that the buyer who is a company is incorporated in the USA. However, where the parties do not want to be under the jurisdiction of the UCC, they should indicate so in their contract, and thereafter, they shall be governed by the United Nations convention for the international sale of goods. If parties in this contract have agreed to be governed by the code (UCC), then it falls under the jurisdiction of article 2 since the type of goods being dealt with in this contract are movable and tangible goods.

Reference

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Onecle. (1998). Sample Contracts: Airbus A320 Purchase. Retrieved on March 30, 2012 from: