

Essay 2: Suggested Time = 60 Minutes

The Los Angeles County School System ("LACSS") writes to Glass, Inc., indicating an interest in window panes of various sizes, in quantities of 5,000 to 50,000, for immediate delivery. Glass, Inc. sends by return mail a pre-printed price list showing, among others, 16-inch by 48-inch window panes at \$10 per pane and 48-inch by 48-inch window panes at \$25 per pane. Handwritten at the bottom is a note reading "10% discount on orders of 10,000 panes or more, shipment within 14 days."

Three days after receiving the price list, LACSS sends an order for 18,000 of the 16 by 48 panes at \$9.00 per pane and 6,000 of the 48 by 48 panes at \$22.50 per pane, delivery "at once." The order also "requests" that all panes be made from the same run of glass because each large pane will be installed adjacent to three of the smaller panes. One week later, LACSS receives a letter from Glass, Inc., saying: "Thank you for your order. Unfortunately, we no longer make 16 by 48 panes. We will ship the 48 by 48 panes within two weeks and expect payment at \$25.00 each upon delivery. For your future reference, the 10% quantity discount is per size of window pane, so your order for 6,000 of the 48 by 48 panes would not qualify for the discount in any event."

Questions: (a) Assuming the UCC applies (and that both parties are "merchants"), discuss whether there is a contract between LACSS and Glass, Inc., and what its terms might be. (b) Assuming the UCC does not apply, discuss whether there is a contract between LACSS and Glass, Inc., and what its terms might be. (c) Now assume that there is a binding contract between LACSS and Glass, Inc., for both sizes of panes and that the UCC does not apply. If Glass, Inc., ships only the 48 by 48 panes, can it sue on the contract for payment of those panes?