

# CONTRACTS

Class 12



# MORE ON MATERIAL BREACH

- Six questions for determining whether a breach is minor or material:
  - To what extent has the breaching party already performed?
  - Was the breach intentional, negligent or innocent?
  - How certain is it that the breaching party completed performance?
  - How much of the contract's benefit has the innocent party received?
  - To what extent can the innocent party be compensated?
  - How difficult would it be for the breaching party if the court were to decide that the breach was material and that the innocent party was under no obligation to perform his or her side of the bargain?



# DISCHARGE OF CONTRACTUAL DUTY

- When contractual duty is discharged, the party whose duty it was is relieved from the obligation of performing that duty.
- Discharge can be for the entire contract, or for some portion of the contract.



# QUIZ TIME!



# FOUR WAYS TO DISCHARGE A CONTRACTUAL DUTY

- **Mutual rescission**

- Both parties agree to rescind the obligation before either party has completed her obligation.

- **Release**

- One party releases the other party from some contractual obligation.
- Note that the released party must give some consideration for a release to be binding.

- **Accord and Satisfaction**

- **"Paid in Full"**

