On May 1, 2003, All Things Greene (“ATG”), a professional landscaper doing business in Iowa, telephoned Jumping Junipers (“JJ”), a commercial tree farm in Colorado, and ordered 100 juniper saplings, at a price of $9 per sapling, with JJ to deliver the saplings to ATG no later than June 15th. Later that day, JJ faxed an acknowledgment to ATG, agreeing to deliver 100 juniper saplings to ATG no later than June 15th, with ATG paying $9 per sapling.

1. Absent a contrary agreement between the parties, what substantive body of law governs the contract between ATG and JJ?

   (A) UCC Article 2, because both ATG and JJ were merchants when they entered into the contract.

   (B) Article 2, because the juniper saplings were goods when ATG and JJ entered into the contract.

   (C) Article 2, because the juniper saplings were goods when ATG and JJ entered into the contract and the contract price is $500 or more (or $5,000 or more, if applying Revised Article 2).

   (D) Common law, because the juniper saplings were affixed to real property when ATG and JJ entered into the contract.

Shortly after ATG confirmed receipt of JJ’s fax and its terms, ATG contracted with several landscaping clients who had expressed their desire to include juniper saplings in their landscaping. One client, Cindy Redleaf, had recently bought a home and wanted to completely re-landscape the backyard. She paid ATG $2,500 to prepare a comprehensive landscape plan for her backyard; and, after approving the plan, she paid ATG to remove most of the existing landscaping (such as it was), re-contour the soil, build several flower beds, install an irrigation system, install curbing and stepping stones, plant new grass, flowers, shrubs, and trees (including several of the juniper saplings ATG was purchasing from JJ), and pour the foundation for and construct a gazebo in her backyard. The cost of the backyard makeover, above and beyond the fee for preparing the plan, was $10,000, $2,500 of which was for materials and $7,500 of which was for labor.

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2. If a dispute subsequently arose between Cindy and ATG over ATG’s workmanship in building Cindy’s gazebo (for which ATG charged Cindy $350 for materials and $650 for labor), what body of law would most likely govern their dispute?

(A) Article 2, because the materials for the gazebo were goods when Cindy and ATG entered into the contract.

(B) Article 2, because ATG’s re-landscaping of Cindy’s yard included installing new grass, numerous flowers, shrubs, and trees, the irrigation system, and the gazebo, all of which were goods when Cindy and ATG entered into the contract.

(C) Common law, because, despite the large number of goods installed by ATG, the predominant purpose of Cindy’s contract with ATG was to pay for ATG’s expertise in designing and installing new backyard landscaping.

(D) Common law, because, once installed, the gazebo and other goods became improvements to real property.

Using the same facts as Question 2, suppose that the Iowa courts apply the “gravamen of the action” test for determining whether a dispute arising out of a contract for both goods and services is governed by Article 2 or by common law.

3. If a dispute subsequently arose between Cindy and ATG over ATG’s workmanship in installing Cindy’s gazebo (for which ATG charged Cindy $350 for materials and $650 for labor), what body of law should govern?

(A) Article 2 would govern the entire contract, because the materials for the gazebo were goods when Cindy and ATG entered into the contract.

(B) Article 2 would govern the dispute over ATG’s workmanship in building Cindy’s gazebo, because the materials for the gazebo were goods when Cindy and ATG entered into the contract.

(C) Common law would govern the entire contract, because Cindy’s complaint is over the installation of the gazebo, not the materials used to build it.

(D) Common law would govern the dispute over ATG’s workmanship in building Cindy’s gazebo, because Cindy’s complaint is over the installation of the gazebo, not the materials used to build it.

Suppose, instead, that the problem with the gazebo was that the wood ATG used to build it deteriorated and discolored much more rapidly than Cindy reasonably expected.
4. If Iowa courts apply the “gravamen of the action” test, what body of law would most likely govern?

(A) Article 2 would govern the entire contract, because the wood was goods when Cindy and ATG entered into the contract.

(B) Article 2 would govern the dispute over the quality of the wood ATG used to build Cindy’s gazebo, because the wood was goods when Cindy and ATG entered into the contract.

(C) Common law would govern the entire contract, because ATG would not have needed to use the wood but for Cindy’s desire that ATG install a gazebo.

(D) Common law would govern the dispute over the quality of the wood, because ATG would not have needed to use the wood but for Cindy’s desire that ATG install a gazebo.

Another of ATG’s clients, Reitz, Burton & Andersen, L.L.P. (“RBA”), a prominent Iowa City law firm, wanted to provide its best clients and its staff with the best Christmas trees money can buy. One of the partners, who had recently vacationed in and around Vancouver, British Columbia (Canada), convinced his colleagues that Canadian Spruce could not be beat. The partners authorized him to contract with ATG to purchase 100 6- to 7-foot tall Canadian Spruce trees for $75 each, to be delivered to various addresses during the first week of December 2003. ATG, in turn, contracted with McKenzie Brothers Trees and More (“McKenzie”), in Whiskey Springs, British Columbia, to purchase 125 6- to 7-foot tall Canadian Spruce trees for US$50 to US$55 (depending on height), to be delivered to ATG no later than November 30th, with ATG to pay all shipping expenses.

5. Absent a contrary agreement between the parties, what body of law governs ATG’s contract with McKenzie for the trees?

(A) The U.N. Convention on Contracts for the International Sale of Goods (“CISG”), because the trees were goods sold by a foreign seller to a U.S. buyer and the U.S. has ratified the CISG.

(B) The CISG, because the trees were goods sold by a Canadian seller to a U.S. buyer and both Canada and the U.S. have ratified or otherwise adopted the CISG.

(C) The CISG, because the trees were goods sold by a Canadian seller to a U.S. buyer, both Canada and the U.S. have ratified or otherwise adopted the CISG, and ATG did not purchase the trees for its own personal, family, or household use.

(D) Article 2, because ATG did not know or have reason to know that McKenzie’s principal place of business is in Canada.
At the same time it ordered the trees, ATG also ordered from McKenzie – at RBA’s request – 50 custom-made, blown-glass Christmas ornaments with the year and RBA’s firm logo to be hand-painted onto each ornament. RBA wanted the ornaments as mementos for each of the firm’s attorneys and employees. McKenzie agreed to make and sell the ornaments to ATG for US$40 each.

6. Absent a contrary agreement between the parties, what body of law governs ATG’s contract with McKenzie for the ornaments?

(A) The CISG, because the ornaments were goods sold by a Canadian seller to a U.S. buyer, both Canada and the U.S. have ratified or otherwise adopted the CISG, and ATG did not purchase the ornaments for its own personal, family, or household use.

(B) Article 2, because, while the ornaments were goods sold by a Canadian seller to a U.S. buyer, and both Canada and the U.S. have ratified or otherwise adopted the CISG, ATG was merely acting as a proxy for RBA, which was purchasing the ornaments for its own personal, family, or household use.

(C) Article 2, because each ornament had to be made by hand; and, therefore, the service performed by the craftsperson was the predominant purpose of the contract to buy the ornaments.

(D) Common law, because each ornament had to be made by hand; and, therefore, the service performed by the craftsperson was the predominant purpose of the contract to buy the ornaments.

ATG’s business had been flourishing, despite the minor setback involving Cindy Redleaf, and ATG’s owner, Tom Greene, wanted to expand. Tom contracted with Rita Estrich to locate the record owner of the lot immediately east of ATG’s existing location and to arrange ATG’s purchase of the property. Tom agreed to pay Rita four percent (4%) of the purchase price if she could successfully arrange ATG’s purchase of the property.

7. Absent a contrary agreement between the parties, what body of law governs ATG’s contract with Rita the realtor?

(A) Article 2, because ATG is a merchant dealing in goods.

(B) Article 2, because both ATG and Rita are merchants.

(C) Common law, because ATG’s contract with Rita was for the purchase of real property.

(D) Common law, because ATG’s contract with Rita was for Rita’s personal services.
After searching the county real property records, Rita found that the Sixth National Bank of Iowa (“Sixth National”) was the record owner of the lot in question, which it obtained through foreclosure.

8. Assuming that ATG and Sixth National reached an agreement on the terms of ATG’s purchase of the lot in question, what body of law would most likely govern ATG’s contract with Sixth National? Please explain.

When ATG and Sixth National reached their agreement for ATG’s purchase of the subject lot from Sixth National, there were a couple of storage buildings and some other personal property on the lot, which Sixth National told ATG it was free to keep or dispose of as it wished.

9. Does their presence on the lot change your answer to Question 8? Please explain.