

**Please Note:** This assignment must be completed in groups of 2 and be no longer than 6 pages (typed, space and one-half; Times New Roman – Font 11; 1 inch margins) in length. Given TA restrictions, your group must be formed with both members of the group being registered in the same section. It must be handed in at the beginning of class of your registered section. Only one assignment per group must be submitted. Any departure from this requirement may result in a grade of zero being assigned. - ALL ASPECTS OF THE SITUATION ARE FICTIONAL.

Hunter Hayees, is a creative and wealthy businessperson. Keith Urbane does not have much by way of assets but is highly skilled as a tailor – particularly when it comes to leather related products. Carrie Underwoode is a super salesperson “with an eye for style”. The three individuals are in their twenties and they all knew each other from back in grade school and high school – having remained close friends. All three grew up and continue to live in London, Ontario.

The three decided to open up a retail store with a Country and Western “spin”. Within the store, each would “do their own thing”. Hunter would focus on importing high end men’s country sportswear, as that is where he had expertise. Carrie would focus more on young women’s – jeans and tops and Keith would make and sell custom-made leather cowboy boots.

Hunter negotiated a five-year lease at a new mall that opened in Milton, Ontario. The lease is a gross lease with an annual rent of \$120,000 per year. As Keith and Carrie are always worried about money, and never seemed to have that much, Hunter thought he would not raise their stress levels – and so told them that the lease was “monthly” and could be terminated at any time with two months notice. This was not the case.

When the store opened, a sign was erected out front that said – “**UUH Country**”.

The store was located in the lower level of the new mall – and consequently sales were slow as there was not that much customer traffic. After a long hot summer, Keith decided to pursue his country music interest – and one day did not show up the store. Instead he sent a note to Hunter that said, “I have left to go to Nashville to pursue my dreams. Here is a cheque for two months rent - \$6666 – close it down. Good luck” Without Keith being present, Carrie said, “I am leaving too.”.

Hunter tried to run the store for a few more months – but the business model did not work. One day – he moved out the extra inventory, locked the doors and left the keys behind on the store counter.

You, Bea Calm, are employed by Oxford Leasing Inc., the landlord. The lease is in arrears and efforts made to find new tenants have not been successful. The mall continues to have several thousand square feet of vacant retail space for rent. Your immediate supervisor, Luke Bryan, has asked that given your legal knowledge and background, you prepare a memorandum that identifies and analyzes the legal issues that arise in this situation and provides recommendations on how to proceed. Your boss tells you, “Maximum money is our primary objective. I have heard that Keith is doing well in Nashville and Hunter was badly injured in a storm. Better listen to those storm warnings.”

**PART A - REQUIRED:** Prepare the detailed legal memorandum for Luke. (Assume Bea is aware of the info as set out in the case simulation). [Note – detailed contract law analysis is not to be provided]

**PART B -** Assume the role of Reelly Calm, Barrister & Solicitor (and distant cousin to Bea). If the three individuals had come to you for advice from the outset, what advice would you have provided. **(max – 2 pages)**

**[Bonus marks – there may be one or two songs somehow linked to this assignment. Can you identify?]**

## **ASSIGNMENT ADMINISTRATION:**

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*The cover sheet on your assignment should be as follows:*

**Assignment #1  
Business Law – Fall 2013**

**Instructor Name:**

*Set out* → **Name and student number of each group member.**

*Type the following statement and each group member should sign below it:*

**“We have completed this assignment on our own and have not discussed it with any other individual or used any other unauthorized aids. We acknowledge compliance with the academic requirements (e.g. citation of sources) of the University of Toronto.”**