**Bialment**

The transfer of possession of something (by the bailor) to another person (called the bailee) for some temporary purpose (eg. repair or storage) after which the property is either returned to the bailor or otherwise disposed of in accordance with the contract of bailment.

**Elements:**

Three elements are generally necessary for the existence of a bailment: delivery, acceptance, and consideration.

**Bailee**

The person who receives property through a contract of bailment, from the bailor, and who may be committed to certain duties of care towards the property while it remains in his or her possession

**Bailor**

**Explanation**

The term **bailment** is derived from the French **bailor**, "to deliver." It is generally considered to be a contractual relationship since the bailor and bailee, either expressly or impliedly

A bailment is not the same as a sale, which is an intentional transfer of ownership of personal property in exchange for something of value. A bailment involves only a transfer of possession or custody, not of ownership.

**Termination**

A bailment is ended when its purpose has been achieved, when the parties agree that it is terminated. A bailment created for an indefinite period is terminable at will by either party, as long as the other party receives due notice of the intended termination. Once a bailment ends, the bailee must return the property to the bailor or possibly be liable for conversion.

**Duties of Bailee**

1. The Bailee must take reasonable care of the bailed goods.
2. The Bailee Duty is to not unauthorized use of bailed goods.
3. The bailee can use the goods only in the manner authorized the terms of the bailment.
4. Bailee a lesser duty to care for the goods and is financially responsible only if he or she has been grossly negligent or has acted in bad faith in taking care of the goods
5. When the purpose of the bailment has been completed, the bailee must return the goods to the bailor, or account for it, depending upon the terms of the contract.

**Duties of Bailor**

* . Bailor's duty to disclose faults in goods bailed.

**Right of Bailee**

* Bailee received damages that arising directly from Bailor faults.
* Bailee received damages if the goods are bailed for hire, the bailor is responsible for such damage, whether he was or was not aware of the existence of such faults in the goods bailed.
* The bailee, in the absence of any special contract, is not responsible for the loss, destruction or deterioration of the thing bailed.
* Received payment from bailor, of necessary expenses

**Right of Bailor**

* Bailor has a right to receive damages incurred from Bailee negligence.
* A contract of bailment is avoidable at the option of the bailor, if the bailee does any add with regard to the goods bailed, inconsistent with the conditions of the bailment.
* Effect of mixture, without bailor's consent, when the goods cannot be separated.
* Effect of mixture without bailor's consent, when the goods can be separated.
* Bailor entitled to increase or profit from goods bailed.

**Mortgage relationship**

**Rights of Mortgagor:**

* The right to redeem the property
* The right to grant leases
* The right to sue

**Pledge Relationship**

The bailment of goods as security for payment of a debt or performance of a promise is called "pledge". The bailor is in this case called the "pawnor". The bailee is called the "pawnee".

pledges are a form of security to assure that a person will repay a debt or perform an act under contract. In a pledge one person temporarily gives possession of property to another party. Pledges are typically used in securing loans,

**parties of the Pledge:**

1. Pledgee
2. Pledger

**Duties of the Pledgee:**

* Duty to care for the pledgor's property

**Duties of the Pledger:**

**Right of the Pledgee:**

* The pledgee has the right to the possession and control of any income accruing during the period of the pledge.
* The pledgee is entitled to be reimbursed for expenses incurred in retaining, caring for, and protecting the property.
* The pledgee may retain the goods pledged, not only for payment of the debt or the performance of the promise, but for the interest of the debt, and all necessary expenses incurred by him in respect of the possession or for the preservation of the goods pledged.
* **Pledgee’s right where pledgor makes default**

**Right of the Pledger:**

* **Defaulting pledger's right to redeem**