Question 1 25 pts.

Misunderstanding

Effect of Peerless (Consensus Ad Idem)
Restatement Analysis
Materiality
Reason to know 7 pts.

Remedy (Homeowners)

Expectancy Cost Completion
+ Down payment
- Contract Price

17K+5K-20K = 2K 3 pts.

Replacing of Wallpaper 5K 3 pts.
(Cost completion or diminution in value)

Rent of Hall ($500)
Hadley v. Baxendale

Remedy (Carl)

Expectancy Contract Price
- Market Price
Minus
Down Payment
- Expenses

3 pts.

20K-15K = 5K
- 5K-3K = 2K
3K

Reliance 7500
-2000
4500
(Capped by Expectancy) 3 pts.

Mitigation 3 pts.
Question 2 50 pts.

Initial Contract

Offer/Acceptance 5 pts.
"We offer"
Distribution of Offer
No way to limit the number who could accept
Mike acceptance?
New Offer?
Acceptance by Theresa?

Output/Requirement K/Certainty 8 pts.

Output contract -- generally

Illusory promise
Req. K? (is this intended to be a combination output/requirement contract?)

Certainty
will take output for a while
Basis for granting a remedy?

Reliance on Relationship 5 pts.
Theresa turned away offer mfr.
Reasonableness of Reliance
(K lacked duration)

Breach by Plastics 10 pts.
Output K
Stated Estimate
discontinuing output
good faith issues
characterization of output -
dinosaurs vs. plastic toys

Settlement -- 2d telephone Call
0/A issue 5 pts.
Plastics "would consider"

Consideration 5 pts
Duncan v. Black
Did Toy have a valid K?
3d Call

Offer $10,000
Rejection
Attempted Acceptance

Remedy

Mp - Kp $25,000
How many?
Settlement 10K

Is Theresa limited by final "contract = problem pre-existing dirty rule. No consideration for her promise to take 10K"
Question 3 8 pts.

"On Completion of Work"
Unilateral v. Bilateral
bias toward bilateral
If unilateral no damages
 option to complete but no promise
If bilateral, damages = $1,000

Question 4 8 pts.

Conditional Promise problem
If Sara decides to buy (mutuality?)
Acceptance by Sara

Question 5 8 pts.

Pre-existing Duty
Cancellation of 1st K