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**THIS EXAM CONSISTS OF 3 PAGES**

**THE UNIVERSITY OF BRITISH COLUMBIA  
ALLARD SCHOOL OF LAW**

**MID-COURSE EXAMINATION – December 19, 2018**

**LAW 211  
CONTRACTS**

**Section 1  
Professor Bakan**

**TIME ALLOWED: 1 hour plus 10 minutes reading time**

- NOTE:**
1. This examination is **OPEN BOOK**. Candidates may use any materials they have brought into the examination room (with the exception of library and text books) during the examination and the reading period.
  2. I advise you to use the reading period to read through the whole of the exam, identify the issues raised by the questions, and think about possible approaches to answering the questions. You may write on scrap paper and on your exam paper during this period. **YOU MAY NOT TYPE ON YOUR COMPUTER OR WRITE IN YOUR EXAMINATION BOOKLET DURING THE READING PERIOD.**
  3. Do not concern yourself with statutes, cases or other sources not covered in the course materials.
  4. It is better to cover more points in brief than fewer points in detail. State clearly any facts you assume in answering the questions. You should describe the arguments that might be made on both sides of an issue, and give some sense of the relative strengths of the arguments.
  6. Full citations of cases are not necessary. You may refer to cases in short form.

**THIS EXAMINATION CONSISTS OF ONE MAIN QUESTION  
TWO SEVERAL SUB-QUESTIONS**

**QUESTION****Total: 100 points**

Mary is a contractor who does most jobs on her own. She gets a call from Bill who is looking for someone to rebuild the main floor bathroom in his house. The bathroom had been destroyed by a fire caused by a defective hair drier and water damage from dousing the fire.

Bill's mother is coming to stay with him in two weeks so, he tells Mary, the job has to be completely finished by then. "Do you think you can meet that deadline?" he asks. "Because if you can't I'll get someone else. It's essential that the job gets done on time." That's because Bill's mother has a disability that makes it impossible for her to climb stairs. The guestroom is on the main floor of Bill's house, so in order for his mother to have access to a bathroom the main floor bathroom has to be operational. Bill explains all of this to Mary. "No problem", she says. "I'll get the job done with time to spare."

Bill hires Mary. The two sign an agreement that specifies a fixed completion date. It also states the various things Mary must do – demolition of the existing bathroom, carpentry, tiling of floor and walls, installing new fixtures, plumbing, electricity, painting and so on – and the fee Bill will pay Mary on completion. As well, the contract states that Mary, along with any employee or independent contractor she engages to help her with the job, will receive a bonus payment from Bill of \$250 if the job is done on time.

Mary begins work immediately, demolishing the old bathroom in two days, and doing some carpentry and plumbing work on the third and fourth days. On the fifth day she doesn't show up for work at the house. Bill calls her, but she doesn't return his calls. Several days go by and he hears nothing. Finally, she calls Bill. "I have some bad news", she says. "I mismanaged things a bit and took on too much work. I hadn't quite finished some other jobs before I took yours. Also, I've had a bad cold which has slowed me down. I'm just way behind on everything and I don't think I'll make the deadline unless you can pay me more so I can hire an assistant." Bill ponders his options. "How much extra would you need to hire an assistant to finish the job on time?", he asks. Mary says she would need about \$1000. Bill says, "Fine, I'll pay it – I really have no choice."

Relying on Bill's promise of the extra payment, Mary asks Jane, an independent contractor, to help her finish the job. The two agree on exactly what Jane will do in exchange for payment of \$1000. "And just so you know," Mary tells Jane, "Bill has promised a bonus of \$250 to each of us if we get the job done on time." The two get to work and finish the job on time.

**Answer the following questions:**

- 1) Bill now refuses to pay the extra \$1000 he had promised to Mary. Mary sues him. What arguments can she make for enforcing Bill's promise? How likely is it that she will succeed? **(75 marks)**
  
- 2) Jane sues Bill for the \$250 bonus. Will she succeed? **(25 marks)**

**END OF EXAMINATION**