THE UNIVERSITY OF BRITISH COLUMBIA PETER A. ALLARD SCHOOL OF LAW

DECEMBER EXAMINATION – 2020

LAW 211.04 Contract Law

Professor Ljiljana Biukovic

EXAM PASSWORD: jNNVpY RESUME CODE: ABB088

TOTAL MARKS: 100

(8:50 AM PST) **PREPARATION TIME ALLOWED:** 10 minutes (9:00 AM PST) **WRITING (INCLUSIVE OF READING) TIME ALLOWED:** 1 hour 15 minutes

8:50-9:00 AM Preparation Time (Exam writing not permitted) – This time is given to students to download/print your exam questions once the exam has been made available online on Canvas, to read the Exam Password on this exam coversheet, to enter the Exam Password for the exam in Examplify, and to progress in Examplify until you see the STOP SIGN, where you will WAIT until 9:00 AM. DO NOT proceed past the STOP SIGN. DO NOT begin typing your exam answers in Examplify until 9:00 AM!

<u>9:00 AM Exam Writing Time</u> – At 9:00 AM, you may proceed past the STOP SIGN in Examplify and begin typing your exam answers. Students are required to calculate and monitor their own time for writing exams. All exam answer uploads will be monitored to ensure that typing of answers only occurred during the allotted Exam Writing Time.

This is an <u>open book</u> examination, meaning that you can refer to the course casebook and assigned examinable cases not in the casebook, materials on our course web sites (Canvas and cms), and your own class notes. The use of library books, textbooks not assigned or discussed in this course, materials from other courses, other Contract Law sections, or previous iterations of this course, is not permitted.

If you think you have discovered an error or potential error in a question on this exam, please make a realistic assumption, set out that assumption clearly in writing for your professor, and continue answering the question. Do <u>not</u> email your professor or anyone else about this while the exam is in progress.

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Your answer file should be named, and the coversheet of your answers should be titled with: Your Exam Code, Course Number, Name of Course, and Instructor Name i.e., **9999 LAW 100.001 Law of Exam Taking – Galileo**

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MARKS

100 1. Joshua and his wife Mo live in a nice neighbourhood near Trout Lake in a hundred-year old house. Since they did not have the money to purchase the house when it was on the market, Mo's father Stephen, who also lives in the neighbourhood, purchased it on September 1, 2018 and registered in his name. He told Joshua and Mo that instead of paying rent they would be paying his monthly mortgage payments and once they pay off the mortgage, he would transfer the title to the home to them. Joshua asked if they should write up a short agreement about all of this but Stephen insisted that written contracts are for "losers" and that he has made many great deals without ever putting anything in writing. The couple moved into the house on October 1, 2018.

In July, 2019, Mo asked her friend Philip, a graffiti artist, who would occasionally visit on weekends to paint at the Trout Lake park and sleep on a sofa in the basement, if he could paint something they could put on the wall in the living room above the fire place. Philip said "Sure, why not. You've been always nice to me and let me crash in your basement. I guess I can do something nice for you." One day in August 2019, much to their surprise Joshua and Mo returned home after work and found Philip in their living room painting the whole wall around the fireplace as a mural. It was a beautiful depiction of the neighbourhood. Joshua and Mo liked it so much that Mo said they would pay him whatever he asked for that magnificent art. They called Stephen to come and see the room. When Stephen saw the mural on the wall he rolled his eyes and said in jest: "Wow, you are so good at this that you could turn the whole room into art worth thousands of dollars. You are going to make my house a valuable property!" Joshua and Mo burst into laughter. Philip calmly responded to Stephen: "Of course I am that good. And I'll give you a really good price for the room full of art since you are so appreciative of my work. How about \$6,000 for the whole room?" Mo was enthusiastic: "Yeah, that would be great!" Stephen and Joshua were still laughing.

The weekend after Thanksgiving, Philip returned to Joshua and Mo's house and covered the whole living room in murals. Philip wrote his name and date on one of the walls and wrote "Graffiti is not the lowest form of art." He left a card for the couple with a note: "Thank you for your hospitality and for allowing me to develop my art at your place. I hope you'll enjoy the room. Mo, send me the \$1,500 that you promised whenever you have some extra money. Stephen should send a \$6,000 cheque to my Vancouver studio or use my email wannabebanksy@gmail.com to transfer the money directly to my account ⁽²⁾."

Mo showed the note to her father and asked him what he was planning to do about this. Stephen said that he would do absolutely nothing. He added: "Your friend is really weird. It was a complete joke. I don't even like what he's done to my house. Its rubbish and YOU should pay ME to paint the room back into beige." The two had an argument that ended with Stephen asking them to leave the house if they did not like the way he dealt with Philip.

Mo was very upset and when Joshua realized that the relationship between his wife and father in law was not improving, he accepted a job in Calgary and he and Mo left Vancouver on November 1, 2019. Before they left, Mo sent an email to Philip: "My dear friend, Joshua and I are leaving Vancouver. I have no money at the moment to pay you for your great art but attached to this message is a Children's' Hospital lottery ticket that I bought in a fundraising campaign for the new hospital wing. You might get lucky and win a Tesla or a bottle of wine. There is something for everybody who had a ticket." Philip ended up getting a dinner at the Ask for Giorgi restaurant in Vancouver.

Once Joshua and Mo left the Trout Lake house, Stephen decided to renovate the house, get rid of Philip's murals and sell the house. On November 19, 2019, he contacted three contractors, the Steel Wheels, the White City Builders, and the Goliath Brothers, and he sent them some basic house plans, his budget estimate (\$15,000), and timeline within which he wanted the work to be done. He asked both companies in separate emails to submit via email their estimates in four days. He worked with the Steel Wheels and Goliath Brothers before but not with the White City Builders, who seem to be very keen to get the job. Within four days all three companies presented detailed estimates for the work including their timelines. All of them were able to complete the work within Stephen's timeline. The Goliath Brothers' estimate was \$14,934.50 including GST. The Steel Wheels estimate was \$14,765.01 including GST. The White City Builders were charging \$12,999.99 including GST. On November 27, 2019, Stephen met the White City Builders manager Marco at Tim Hortons for a coffee, just to have a face-to-face discussion about the company's work. Subsequently, White City Builders sent two emails to Stephen, including their preliminary drawings of renovations for each room and their standard construction contract. Stephen responded to one of those emails: "I'm impressed with your business and your ideas. I'm hoping to sort out some private things and will give you a call later in the week and will let you know what we'll do then." White City Builders manager Marco replied: "Sounds great. I'll book my team for the job and wait for you to let us start demolition work."

One week after meeting with Marco, Stephen was watching the evening news and he almost fell off his chair when he heard that Philip's art was incredibly sought after amongst musicians and celebrities in North America. Apparently, one Canadian music superstar just paid \$8 million dollars for a mural Philip painted at his Toronto studio. Stephen immediately called the three constructors tell them that he would not proceed with renovations. The Goliath Brothers manager Vic was still at work and he said: "No worries, buddy. Let us know if you change your mind." The Steel Wheels response was: "That's regrettable. Hopefully, we'll get to work with you in the near future." The White City Builders were not picking up the phone so Stephen left a voice mail.

The following day, Mo texted Stephen and said: "Do not touch that room – Philip's work is mine, I paid for it. In fact, the room is mine and Joshua's as we paid a part of your mortgage. You cannot sell what is mine." Then he saw an email from the White City Builders: "You can't back out now. We got a deal and I missed one week of work as my team was on standby for you".

Stephen consults you about who may have a potential claim against him and why. He also wants to know whether he has any legal claim against any of those persons. Please focus only on possible contract law claims and ignore possible statutory provisions.

END OF EXAMINATION