

THIS EXAMINATION CONSISTS OF 5 PAGES  
PLEASE ENSURE THAT YOU HAVE A COMPLETE PAPER

THE UNIVERSITY OF BRITISH COLUMBIA  
FACULTY OF LAW

DECEMBER 2021 EXAMINATION

LAW 211  
Contracts

Section 2  
Professor Moore

TOTAL MARKS: 100

TIME ALLOWED: 90 MINUTES  
plus 10 minutes of reading time.  
(Students may not begin to type during the reading time.)

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### **EXAMINATION INSTRUCTIONS**

#### **OPEN BOOK**

This is an open book examination. Students are permitted to access the Casebook and other course readings, the instructor's slides and course materials, and self-prepared materials such as course outlines or notes.

#### **QUESTIONS TO ANSWER**

This examination requires you to answer 2 questions, as follows:

- Question 1 must be answered by all students. Question 1 has two choices (1A or 1B). Answer one and only one of the choices (1A or 1B) for this question.
- Question 2 must be answered by all students.

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**SUBJECT-MATTER**

Only address issues of Contract Law, as covered in the course to date. For example, if a question also raises issues of Tort Law, Property Law, Securities Law etc do not address these. Do not deal with issues of Civil Procedure, including *res judicata* or eligibility of jurisdiction, unless specifically directed by the question.

That said, if matters of Contract Law were expressly noted in the course as only applicable in certain jurisdictions, either explicitly or through the heading Comparative Law on lecture slides, students are expected to be aware of where they do and do not apply, as that may relate to an exam question.

Unless specifically directed by a question, do not address issues of Contract Law not covered in the course to date (e.g. frustration, misrepresentation, etc.) except to whatever extent they were discussed as relevant to matters that were covered in the course to date. For example, if there is an issue of consideration in contractual variation, it may be relevant to note that certain authorities will inquire into whether there was duress; however you should not assess whether there is in fact duress on the facts in the question.

**EXAMINABLE MATERIAL**

Per the course Syllabus: "All required reading is examinable (including all material assigned from the Casebook, and all Other Required Readings)... Besides required readings, all material from classes and course-related communications or discussion are also examinable [including materials from class exercises and review classes and information on the course website or communicated electronically]... Also note that each legal text/source and each instructor have interpretations of the law that differ on various points. Examination answers should reflect the account presented in the course, where it conflicts with accounts from assigned or optional reading, unless indicated otherwise. However, the fact that there are differing perspectives will itself sometimes be relevant. Students are advised to follow the instructor's guidance as to what issues are matters of fact, debate, opinion etc. as in courses in any other discipline. By contrast the texts listed under "Further Reading (Optional)" are not examinable materials. Materials, including on Contracts, not covered in the course are not examinable and should not be addressed or relied on. Also, as mentioned at the time it was passed along, the "can" obtained on your behalf from a former student is not a course material and is not examinable.

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### **USE OF SOURCES**

Your exam answers should incorporate or cite (as applicable) supporting material drawn from the set of Examinable Material. However, answers should only incorporate or cite aspects of the Examinable Material that are relevant. Part of the judgment you are expected to exercise is determining materials' relevance in answering a question. Although the exam is open-book, students should not research outside sources. Do not reference or cite as supporting material on this examination any material drawn from sources outside the set of Examinable Material for the course (specified above).

Use informal (bracketed) in-text citations. You only need to cite enough of a source for the instructor to be able to unequivocally identify it. Acceptable examples: Fuller; *Hawkins*; UCC.

### **ERROR IN EXAM QUESTION**

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 the instructor, and continue answering the question.

### **ADDITIONAL NOTES**

*Good luck!*

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MARKS60 1. For this question (60 MARKS), answer only A **OR** B below:

A. In the *Blue v Ashley* affair, suppose the circumstances surrounding the £1 million payment made to Blue were as follows: Sometime after the episode in the Horse & Groom, Ashley, based on insider information, came to expect that the stock price of Sports Direct would surge to more than £8 per share. At that point, Sports Direct's General-Counsel ("GC") persuaded Ashley that although the risk was low of Blue making a successful claim for the £15 million spoken of in the pub, it was best to eliminate the risk by paying off Blue. GC went to meet with Blue, who was in Vancouver on another gig. The purpose was not discussed. They met at the airport. GC flattered Blue about his skills as a consultant, and said he wanted to update Blue's compensation. GC presented Blue with a document titled "Bonus Agreement", noting that it would pay Blue £1 million. The front page said that it contains terms that may alter or take away rights and that independent legal advice is recommended. There followed several pages of preprinted standard terms, used by Sports Direct to settle its legal disputes (e.g. discrimination, wrongful dismissal, harassment etc). GC noted that his flight back to London was leaving in an hour, and he would have to board shortly. Blue's signature was needed at the end, as well as on the tabs picturing a red hand pointing to clauses 22 and 37, which were in bold font. Blue signed in the required places without reading the terms. Clause 22 said the agreement settles all disputes arising from prior dealings and releases from all claims Sports Direct and any persons acting on its behalf. Clause 37 specified that the agreement is not to be taken as an acknowledgment of any allegations or of facts underlying them. Thereafter, the stock price surpassed £8 and one of the investment bankers reminded Blue of the conversation at the Horse & Groom. Blue contacts Ashley. GC wires Blue the £1 million and directs him to the Bonus Agreement. Blue retains your firm, Allard Scow LLP, renowned for its contract law work. A partner at your firm asks you to prepare a memo of approximately six thousand characters assessing how the Bonus Agreement affects Blue's prospects of making a claim for the full £15 million discussed in the Horse & Groom, and how your analysis differs, if at all, under BC law or UK law?

**OR**

B. Suppose that the affair of *Central London Property Trust v High Trees House* occurred today (the Ukraine crisis leads to war between Russia and NATO which includes the UK and Canada). Suppose further the following differences in the facts: The affair began with a Tenants Association ("TA") asking High Trees House ("HT") to reduce tenants' rent by 50% if they stay despite the danger of aerial bombing. At that time, the TA had leverage as rents in London had sharply fallen due to low occupancy as a result of people relocating outside the city to escape the bombardment. HT responded that it would need to speak to Central London Property Trust ("CL"), as it was itself bound to pay a high ground rent to CL. It was then that HT and CL discussed and agreed to a 50% reduction in the ground rent payable by HT to CL, as CL was anxious to avoid HT losing its tenants. HT then sent a notice to tenants that their rents will be lowered "as...

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MARKS

(Question 1B, continued)

...requested”, asking them to be patient while the terms are ironed out, as HT’s agreement with CL is not yet formalized. HT’s agreement with CL is then formalized quickly, unbeknownst to the tenants, while HT has not yet lowered tenants’ rent. After 4 months, most other London residents able to leave had left so that rents outside the city doubled, while many dwellings in London were wrecked by the bombings so that occupancy in the remaining buildings was high. Thus, instead of lowering tenants’ rents, HT raised them by 20% effective on two months notice, as permitted under the leases. Meanwhile, the same thing also happened in Vancouver with another subsidiary of CL, Much Higher Trees House (“MH”). Its tenants had also joined the TA. The TA hires your firm, Allard Scow LLP, renowned for its contract law work. A partner at your firm asks you to prepare a legal assessment of approximately six thousand characters for the TA, including how your analysis differs, if at all, for tenants of MH and HT (ie. under BC law versus English law)?\*

\*Answer with respect to the general law of contract (e.g. disregard residential tenancies legislation) and based only on material covered in the course to date.

- 40      2. Reflecting on this course, your expectations about the legal profession, and your personal career goals or hopes, are there things you learned in this course that will make you more successful in legal practice? Write a reflective essay of approximately three thousand characters. Justify your answer with reference to specific elements of the course, including (but not necessarily limited to) the basic elements of the course (§4 of the Syllabus), broad themes in the course, and specific material covered, as these relate to your expectations about the legal profession and personal goals or hopes for your future career. (40 MARKS)

**END OF EXAMINATION**