

# Memorandum

To: Remedies Students  
From: Professor Green  
Date: Wednesday, December 12, 2018  
Re: Midterm Examination

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This is a closed book exam. Please abide by all that this implies.

Your exam consists of two essay questions. The total test time is **two (2) hours**. It is recommended that you look over each question and plan your time accordingly.

Your answer should demonstrate your ability to analyze the facts presented by the problem, to select the material from the immaterial facts, and to discern the points upon which the problem turns. It should show your knowledge and understanding of the pertinent principles of the law, their relationship to each other and their qualifications and limitations. It should evidence your ability to apply the law to the facts given and to reason logically in a lawyer-like manner to a sound conclusion from the premises adopted. Try to demonstrate your proficiency in using and applying legal principles rather than a mere recitation of your memory of them.

An answer containing only a statement of your conclusions will receive very little credit. State fully the reasons that support your conclusion. All issues within the call of the question should be fully and thoroughly discussed. You should not discuss legal doctrines that are not relevant to any issues in the problem or not responsive to the call of the question.

Good luck!

**QUESTION ONE**  
**(One Hour)**

Hidden Hills Golf Club (HHGC) is a little-known private course in Swing Town USA. HHGC entered into a valid contract to host the Mega Bucks Championship, a major golf tournament, two years in advance. This is the most prestigious event in golf and landing the contract was a major coup. Hosting the event will greatly enhance HH Golf Club's reputation and propel them into the big-league. The publicity from being on the Golf Channel and Major Network TV for four days is an unparalleled marketing opportunity. Based on this exposure HH Golf Club expects to sell a high number of memberships and double their initiation fees. No other tournament can bring this level of notoriety.

Before entering into the contract the Mega Bucks Tournament Director toured HH Golf Club. The director suggested HHGC update some of its facilities for the cameras. The HHGC General Manager (GM) agreed the clubhouse looked tired. The contract did not mention upgrades as a term. Both sides signed the contract and HHGC paid a large down payment.

HH Golf Club spent \$250K to remodel its clubhouse, it increased its staff, and hired a high-level chef. In addition, HHGC conducted a marketing campaign boasting about hosting this major event, which was very successful. New members signed up daily with the promise of reduced admission fees to the event and the new prestige.

Six months before the event, Mega Bucks Tournament notified HH Golf Club's GM by letter that Tournament was breaching the contract and sent Golf Club their money back.

HH Golf Club's GM learned through the grapevine that their rival, Mea Culpa Country Club, will be hosting the event. Mea Culpa is a large well-established club that has over-shadowed HH Golf Club for years. Mea Culpa had little interest in hosting the event again, but chose to pursue the contract only to prevent HHGC from having it. Mea Culpa's Board President personally knows the Mega Bucks Tournament Director and managed to pull some strings to get the contract. They also paid considerably more money.

Please thoroughly analyze each legal remedy that Golf Club may be entitled to after trial.

**QUESTION TWO**  
**(One Hour)**

An old one-room schoolhouse sat abandoned for years after a much more modern school was built. The building was falling apart and wasn't worth much. Five years ago a private charity bought it at auction for \$1 million and spent another \$500,000 to fix it up. The charity uses the structure to house a library that has a coffee shop, which has become a popular gathering spot for locals. Regulars come every morning to share the news over a cup of joe. The library lends books and has computers for use. In addition, the acoustics make it a perfect venue for the free music concerts, poetry readings, and town-hall meetings that the charity frequently hosts.

A major development is underway a short distance up the same road as the schoolhouse. Construction Co. was tirelessly working to clear the site. An exhausted driver in a overloaded truck heading down the hill away from the construction site careened out of control and smashed into a vineyard that was just above the schoolhouse. Stakes were knocked down and vines were destroyed. The vineyard had an irrigation pipe that sucked water out of a nearby creek to water the vines. This too was broken. The water poured out and caused the entire hillside to erode.

A few days later, a landslide ensued that carried the schoolhouse down the hill; it was completely destroyed. The opening manager was in the building at the time. He suffered major injuries, including loss of a leg. The manager was hospitalized and will need on-going medical care. He won't be able to return to work for a year.

The schoolhouse would cost \$10 million to rebuild because it would require a special design team to reconstruct the unique architectural details and some of the materials are not readily available.

Please evaluate all the remedies that Construction Co. may be liable for.