

Contracts Final
Aiona 2012
Question One

Student No. _____

ISSUE LIST: QUESTION ONE

- I. Common Law/UCC
- II. Valid Contract b/ Carl & Max.
- III. Carl's failure to pay full month
 - payment in full clause
 - effect of crossing out language/cashing it
 - no facts showing basis for \$50 reduction
- IV. Assignment/Delegation to Al
 - valid assignment?
 - valid delegation since same mechanics?
- V. Carl's statement he had no contract with Al
 - once valid delegation/assignment, Carl must pay Al
- VI. Carl's defenses v. Al:
 - any defense arising out of Carl/Max contract; and
 - any claim for setoff re assignment to Carl of Tire Co. claim of \$200;
 - accrued prior to notification of assignment? Yes.
 - subject to Max's defense that retreads defective by 1/2
 - Carl owes \$150 for January/February, offset by at least \$100 (Tire)
- VII. Anticipatory repudiation by Carl?
 - if delegation valid, he is in breach;
 - monthly installments due each month only, no acceleration of debt.
- VIII. Carl v. Tire Co.
 - breach of warranty since Max told Tire prior to assignment.
- IX. Remedies:
 - Carl owes \$250 minus setoff for assigned Tire Co. claim of \$100;
 - Carl may recover \$100 from Tire if Tire knew of Max's defense.

Comments:

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Question Two

Student No. _____

ISSUE LIST: QUESTION TWO

- I. Common Law/UCC
- II. Valid Contract b/ Owner and Contractor
 - various terms all constitute promises
 - divisible?
- III. Ambiguity re clearing lot
 - custom and practice in industry
- IV. Zoning change
 - supervening event
 - impossibility/impracticability defense
 - verbal modification
 - in violation of contract term
 - duress claim(?) but
 - consideration exists due to changes in code and
 - waiver/estoppel
- V. Construction defects: material or minor?
 - workmanlike manner: express condition precedent or term and constructive condition?
 - if constructive condition, substantial performance doctrine
 - if material breach, suspending performance justified, if not, material breach by O;
- VI. If O in breach C entitled to expectation minus cost avoided, not complete \$550K. If C in material breach, O can cover but must pay reasonable value of services minus damages for breach.

Comments: