

Contracts — Contract Remedies

1. Bob's brother, Steve, planned to visit over Labor Day weekend. Together they planned to build a deck in Bob's backyard. Bob ordered the lumber, concrete, nails, and other supplies to be delivered on Friday. He also arranged to rent a saw for the weekend (Sat., Sun., and Mon.) at a cost of \$20 a day. When he went to pick up the saw, the store had already rented it. He drove all over town trying to borrow another but could only get one for Sunday, Monday, and Tuesday at a cost of \$50 per day. Because they couldn't work on Saturday without a saw, Bob had to hire Mac at a cost of \$80 to work with him on Tuesday and, of course, Bob had to take off from work. Calculate the damages to which Bob is entitled. Why? Explain.
2. Explain consequential damages. Give an example.
3. Wayne breaches a contract with Tim causing damages of \$25,000 in lost profits, when damages under ordinary circumstances would be \$17,000. Explain under what circumstances a court would award \$25,000.
4.
 - a. When will a court specifically enforce a contract?
 - b. Under what circumstances will a court specifically enforce a contract involving personal services?
 - c. What remedy did the court award in the Madison Square Garden case? Why didn't the court award specific performance in this case?
5. When will a court enforce a liquidated damage clause? When will a court refuse to enforce one?
6. What interests of injured parties are protected by remedies for a breach of contract?
7. Define incidental damages and give an example.
8. Explain three limitations on monetary damages.