

DISCUSSION QUESTION

Jones walks into a grocery store, puts 75 cents down on the counter, and says, "A Coke please." Under contract law, what has just occurred? If the grocery store owner takes the 75 cents, what type of contract has been agreed upon?

CASE QUESTIONS

- Polk listed property to sell with a real estate agent. Avon made an offer, and the two parties went back and forth on terms. When Polk rejected an offer from Avon, Avon then accepted an earlier offer from Polk and gave a \$25,000 deposit check to cinch the deal. Polk refused to sell. Avon sued, claiming there was a contract or, at a minimum, an option contract formed by the deposit check. Is there a contract? [*Polk v. Avon Properties*, 946 So.2d 1120, Dist. Ct. App., Fla. (2006)]
- Barry hired Anglin to produce engineering drawings for work Barry was doing at a brewery. Anglin said it would charge "street" rates for the work, which meant \$35 an hour for regular work, \$40 an hour for overtime work, and \$45 an hour for its time. Barry gave Anglin a "purchase order" for the work, but no rate was specified. Barry paid bills for two months. Barry insisted that the work be done, but constantly complained about the rates and did not pay bills for four months. Anglin sued for \$98,618, the amount it was due for work at the "street" rate. Barry claimed there was no contract, because there was no meeting of the minds about the rate to be paid. Who prevails? [*Anglin v. Barry*, 912 S.W.2d 633, Ct. App., Mo. (1995)]
- At the end of a two-year lease, a landlord and tenant discussed a new lease. The tenant sent a letter to the landlord stating that it would pay rent of \$1,800 per month, and that "all other terms and conditions of the [original] lease, including taxes, insurance, utilities, etc., shall remain the same." The letter also said the tenant was to be advised "by confirmation letter if the terms of the two-year lease extension were acceptable to the lessor." The landlord never responded. The tenant paid rent for a couple months, then moved out. The landlord sued for breach, claiming there was an agreement evidenced by the letter from the tenant; the tenant claimed there was no contract. Who is correct, and why? [*Valiant Steel v. Roadway Express*, 421 S.E.2d 773, Ct. App., Ga. (1992)]
- Mary Lowe, in the presence of her son, David, and Allen Amdahl, wrote: "January 26, 1987. I, Mary Lowe, in the presence of David Lowe received from Allen Amdahl \$1.00 in cash binding the sale of my farm (of 880 acres) for the amount of \$210,000 with final payment due Nov. 1, 1989. Terms of Agreement have been mutually agreed to by both parties. Contract drawn up as soon as possible." She signed this statement, and David Lowe witnessed it. Amdahl wrote on the back of the paper a payment schedule but did not sign the paper. When he returned with a formal contract, Lowe refused to sign. Amdahl sued. Was there an enforceable contract? [*Amdahl v. Lowe*, 471 N.W.2d 770, Sup. Ct., N.D. (1991)]
- Rose, a minor, purchased a new car from Sheehan Buick for \$5,000. Rose later, while still a minor, elected to disaffirm the purchase and notified Sheehan of her decision. She also requested a full refund of the purchase price. Sheehan refused, and Rose brought an action to invalidate the contract and to seek a refund of the purchase price. What will be the likely result? [*Rose v. Sheehan Buick*, 204 So.2d 903, Fla. App. (1967)]
- To help in a fundraising drive for a hospital, Burt gave a pledge for \$100,000 that provided, "In consideration of and to induce the subscription of others, I promise to pay to Mount Sinai Hospital of Greater Miami, Inc. the sum of \$100,000 in ten installments." Burt made two installment payments of \$10,000 each before his death. The hospital filed a claim for the unpaid balance against his estate. Is this a contract for which the estate is now liable? [*Mount Sinai Hospital v. Jordan*, 290 So.2d 484, Sup. Ct., Fla. (1974)]
- BP sells gasoline under various brands. It sold a gas station to Stanley. The sale agreement stated that Stanley would only sell BP-branded gas for 15 years. After four years, he switched to another brand. BP sued for breach. Stanley claimed the restrictive covenant was commercially unreasonable. Would it be upheld? [*BP Products v. Stanley*, 669 F.3d 184, 4th Cir. (2012)]
- Copenhaver contracted to put pay washers and dryers in an apartment complex owned by Berryman. With four years still left on the contract, Berryman kicked Copenhaver out. Within six months, Copenhaver had put all equipment back into service