

Joe went back and explained to Sarah that there was now no way to do the job as they had previously outlined. Leaving the knob and tube wiring wasn't legal, so in addition to running new lines in the demolished bathroom, he would have to investigate, and probably end up replacing the wiring in every room he was working in. The expected electrical work, and the repairs to the walls that would have to be broken into to complete it, would likely cost \$16,000 more than projected.

Sarah was shocked and upset. Faced with a house in shambles and few other options, she tearfully told Joe to proceed. Joe's crew spent the next few days rewiring the bathroom, removing the debris from their demolition work, and bringing in the materials they would need for the next phases of their work.

The following Monday, Joe went to Sarah's house and found that the key she had given him no longer worked. When he called her cell phone she explained that she had located another builder who was willing to make the cosmetic repairs she wanted without worrying about the problematic wiring. She thanked Joe for what he had done so far, but indicated she would no longer need his services.

Joe couldn't believe what he was hearing. His crew's labor so far already added up to \$3000, and they had brought in another \$3000 in materials. He was out money, time, the \$4000 profit he had expected from Sarah, as well as the chance to take on a \$10,000 basement renovation job that he had passed up because he was committed to working on Sarah's place.

If Joe sues Sarah what will he claim, and what counterclaims or defenses should he expect? Who is likely to win, and what damages, if any, might be awarded?