

effect of substituting a bilateral contract for the option, and from that moment both parties are bound, irrespective of the question whether the option was supported by a consideration or not (*v*). The exercise of an option is not merely the initiation of a new contract which, like a proposition, requires acceptance to complete it (*w*).

A similar rule holds in the case of an extension of an option without consideration, which, though not at first a binding contract, becomes such if it is accepted before retraction (*x*).

III. COMPLETION, REVOCATION AND ABANDONMENT OF RIGHTS ARISING OUT OF OPTIONS.

8. Acceptance generally.—A general discussion of the principle upon which it is determined whether the acceptance of an offer is complete in such a sense that a binding contract is constituted, would be out of place in this article. As a whole, these principles are the same in the case of offers which, like options, are essentially continuing character, as in the case of offers which are supposed to be accepted or rejected at once or within the briefest period that the course of business admits. It will be useful, however, to advert

(*v*) *Lord Lilford v. Powys Keck* (1862) 30 Beav. 295; *Byrne v. Van Tienhoen* (1880) 5 Q. B. D. 344; *Willard v. Taylor* (1869) 8 Wall. 557; *Wilks v. Georgia Pac. R. Co* (1885) 79 Ala. 180; *Linn v. McLean* (1885) 80 Ala. 360; *Guyer v. Warren* (1898) 175 Ill. 328; *Dambmann v. Rittler* (1889) 14 Am. St. Rep. 364, 70 Md. 380; *Wickox v. Cline* (1888) 70 Mich. 517; *Houghwout v. Boisaudin* (1867) 18 N. J. Eq. 315; *Fessler's Appeal* (1874) 75 Pa. 483; *Clarke v. Gordon* (1891) 35 W. Va. 735; *Donnelly v. Parker* (1872) 5 W. Va. 301; *Watson v. Coast* (1891) 35 W. Va. 463. Under a stipulation that the intending lessee was to "have a purchasing clause of the estate, at any time within nine years, by giving three months' notice," for a specified sum, the relation of vendor and purchaser is substituted for that of lessor and lessee after the period of notice has expired. *Pegg v. Wisden* (1852) 16 Beav. 239. A lessor is bound at once without a new lease, where the lessee is to have the privilege of an extension of the term for a further period specified "by notice" to the lessor. *McClelland v. Rush* (1892) 150 Pa. 57; *Hansauer v. Dahlman* (1893) 72 Hun. 607. The right of a continuing partner who, by the articles, has an option to purchase a retiring partner's share, is absolute as soon as he exercises it. *Warder v. Stillwell* (1856) 3 Jur. N. S. 9 [ineffectual attempt made by retiring partner to revoke offer and have the partnership dissolved].

(*w*) *Shollenberger v. Brinton* (1866) 52 Pa. 98. It has been declared by a distinguished American court that the acceptance is regarded as a sufficient legal consideration for the engagement on the part of the person making the offer. *Boston &c. R. Co. v. Bartlett* (1849) 3 Cush. 224; *Bray v. Harper* (1849) 3 Cush. 158. But probably a more precise way of explaining the rationale of the change in the relation of the parties is that the acceptance implies consent, and this consent implies a promise to do the acts which will eventuate in the ultimate transfer of interests which is contemplated.

(*x*) *Ide v. Leiser* (1890) 24 Am. St. Rep. 17, 10 Mont. 5.