

Contract v. Promise

- ▣ A promise is a person's declaration that he or she will do or not do a certain act. This forms a moral obligation .
 - The person making the promise is the Promisor.
 - The person receiving the promise is the Promisee.
- ▣ A contract is an agreement between two or more competent parties to do or not do an act now or in the future, for valuable consideration. A contract is legally binding.
 - The person proposing the agreement is called the Offeror.
 - The person that receives the the proposed agreement

Elements Of a Contract

- ▣ There are various aspects that have met in order to a contract valid, which are the following. However, there are exceptions in which a certain contract will not valid even after meeting the requirements.
 - 1. Agreement: This means that both parties have to recognize the contract.
 - 2. Consideration: Any agreements made in the contract must be supported by “Legally sufficient and bargained-for consideration”. This means that if something is promised, there will be a way of getting it.
 - 3. Contractual Capacity: This states that both parties in the contract are qualified.
 - 4. Legality: The outcome of the contract will be legal. It does not oppose social principles.
- ▣ As stated earlier there are scenarios in which a legal contract will become invalid. It must also meet the following:
 - 1. Genuineness of assent: The agreement between both parties must be clear.
 - 2. Form : The documents must be in the form in which the law requires.

Contract Enforceability

- ▣ A valid contract can be enforceable, voidable, unenforceable and/or it may be referred to as a void contract
- Valid Contract(Enforceable): A valid contract includes the 4 elements: Agreement, Consideration, contractual capacity and legality.
- Voidable: A voidable contract is one in which either or both parties have the option of voiding the contract.
- Unenforceable: Contract that cannot be enforced due to a certain legal rule against it.
- ▣ Void Contract: A void contract is not considered a contract as there are no legal obligations.

Quasi contracts (Aka “Implied-in-law contract”)

- ▣ Does not arise from any agreement between parties (neither expressed nor implied); therefore, not an actual contract.
- ▣ Fictional contracts imposed in court on parties “as if” they had entered into actual contract.
- ▣ Why? To avoid “unjust enrichment” of one party at the expense of the other.
- ▣ Plaintiff may recover in “quantum meruit” (“as much as he or she deserves”); this term is used to describe the extent of the compensation owed under an implied-in-law contract.
- ▣ **Essential Elements of Unjust Enrichment**
 - Benefit is conferred upon defendant by plaintiff
 - Appreciation/knowledge of benefit by defendant
 - Acceptance/retention by defendant under such circumstances as to make it inequitable for defendant to retain benefits without payment of its value

- ▣ Limitations of Quasi- Contractual Recovery:
 - Party conferring benefit on someone else unnecessary or as a result of misconduct/negligence CANNOT invoke the principal of quasi-contract, because it is not unjust.
 - Party conferring benefit on someone else does so officiously, e.g. if a car dealership gives the car you are buying new tires before you take delivery without your agreement or consent, you shouldn't have to pay for those tires.
 - If an actual contract exists, may not have quasi-contract. Remedy already exists if party unjustly enriched as a result of breach contract.

Objective Theory of contracts

- ▣ A legal concept that requires the presence of a third party who is neutral and unbiased, when a offer is made and accepted between two parties. It also called offer and acceptance. It status that an agreement between two parties exist if a reasonable person could judge the acts and behaviors of the parties enough to objectively construe agreement.

Interpretation of Contract

- ▣ There are certain rules used by courts for interpreting written contracts in the event of a dispute among parties. The language used in a contract must have a goal determining the parties intent as well as mutual consideration and intention of both parties if the contract doesn't meet the requirement and the language is uncertain or elements of a contract are not present then it is ambiguous or had ambiguity.