

Contracts: Contracts in Writing

Statute of Frauds

- A contract must be in writing if it:
 - cannot be performed within one year
 - calls for the purchase or sale of any interest in real property
 - calls for the promise to answer for the debt or default of another
 - contains a promise by the executor or administrator of a decedent's estate to pay a claim against the estate from personal funds
 - makes a promise in consideration of marriage

Requirements of Written Contracts

- Except for sale of goods, writing must contain all material terms, so that court can determine just what was agreed.
- Usually, this means:
 - the parties must be identified
 - the subject matter must be identified
 - the terms and conditions must be stated
 - it must be signed by the person being sued
- Writing may be made at the time of the

If Contract is not Written

- If Contract does not comply with Statute of Frauds
 - Majority Rule
 - It is voidable (at option of injured party)
 - Minority Rule
 - It is void

Exceptions to Statute of Frauds

- Partial Performance
 - mostly involving improvements in real estate
- Main Purpose Doctrine
 - when promisor benefits personally from paying another's debts
- Detrimental Reliance
 - unconscionable

Parol Evidence Rule

- Issue
 - If written contract already exists, is some written evidence outside the contract admissible in court?
 - Prior and contemporaneous oral and written agreements can not be used to alter the terms of written contract. However, subsequent agreements can.
- Exceptions
 - When the writing is incomplete

Interpretation of Contracts

- Law enforces objective intent, not subjective intent
 - What a reasonable person would believe
- Condition Precedent v. Condition Subsequent
 - An event must occur before the existence of the contract if a condition precedent is involved. A condition subsequent is the occurrence (or nonoccurrence) of an event that shall terminate a contract

Interpretation of Contracts

- Choice of Law in Interstate Contract
 - Law of state where contract is made governs disputes as to form
 - Law of state where contract is performed determines performance disputes
 - Parties may specify choice of law in contract
 - Growing trend to apply law of state with most contacts
