

CONTRACTS

Class 9



DURESS

- **Physical**
- **Economic**
 - (threatening to harm a person economically unless they sign the contract)



UNCONSCIONABILITY

- This is an exception to the rule that inadequacy of consideration is generally irrelevant.
- **Procedural Unconscionability:**
 - A party is tricked or "forced by circumstances" to enter into the contract.
 - e.g., the **adhesion contract**
- **Substantive Unconscionability:**
 - Unequal bargaining position allows one party to take advantage of the other party by getting the other party to sign an unfair contract.



QUIZ TIME!



INCAPACITY

- **Minority:**

- **General Rule:** Minors (usually younger than 18) are incapable of entering into a legally binding agreement
- A contract between a minor and an adult is **voidable** by the *minor* but not by the adult
- **Exceptions:**
 - Contracts to buy necessary items
 - Contracts that are affirmed after age 18
 - Contracts that are not repudiated within a reasonable period of time after the minor turns 18

- **Mentally infirm or intoxicated people:**

- Only **voidable** by that party if he or she was not able to understand the nature and consequences of the contract at the time it was entered into.

