

Chapter I

CONTRACTS

CONDENSED OUTLINE

I. INTRODUCTION

- A. Nature of Contract.
- B. Modern Law of Contract.
- C. Electronic Transactions.

II. CAPACITY OF PARTIES

- A. General Rule.
- B. Minors.
- C. Persons of Unsound Mind.
- D. Persons Deprived of Civil Rights.

III. CONFLICT OF LAWS

- A. In General.
- B. Validity and Effect of Contract.
- C. Assignment.
- D. Discharge.
- E. Particular Contracts.
- F. Restitution.

CONTRACTS

IV. CATEGORIES OF CONTRACT

- A. Executory and Executed.**
- B. Express, Implied, and Quasi-Contracts.**
- C. Unilateral and Bilateral Contracts.**
- D. Joint and Several Contracts.**
- E. Judgment as Contract.**

V. FORMATION: MUTUAL CONSENT

- A. Objective Theory.**
- B. Offer.**
- C. Acceptance.**

VI. FORMATION: CONSIDERATION

- A. In General.**
- B. What Constitutes Sufficient Consideration.**
- C. What Constitutes Insufficient Consideration.**
- D. Mutuality of Obligation.**
- E. Where Consideration Is Unnecessary.**

VII. REALITY AND FREEDOM OF CONSENT

- A. Mistake.**
- B. Fraud.**
- C. Duress.**
- D. Undue Influence.**
- E. Adhesive or Unconscionable Contracts.**

VIII. STATUTE OF FRAUDS

- A. In General.**
- B. The Note or Memorandum.**
- C. Signed by Party To Be Charged.**
- D. Contracts Within the Statute.**
- E. Where Statute Does Not Apply.**

IX. ILLEGALITY: IN GENERAL

- A. What Constitutes Illegality.**
- B. Effect of Illegality.**
- C. Classes of Illegal Contracts.**

X. ILLEGALITY: PARTICULAR ILLEGAL CONTRACTS.

- A. Usury.**
- B. Consumer Credit Laws.**
- C. Contracts of Unlicensed Persons.**
- D. Penalties and Liquidated Damages.**
- E. Restraint of Trade and Other Illegal Trade Practices.**
- F. Contracts Concerning Domestic Relations.**
- G. Wagering and Gambling Contracts.**
- H. Contracts Obstructing Administration of Justice.**
- I. Agreement Tending To Defraud Third Person.**
- J. Contracts Adversely Affecting Public Welfare.**
- K. Exemption From and Limitation of Liability.**
- L. Waivers of Statutory Rights.**

CONTRACTS

XI. RIGHTS AND OBLIGATIONS OF THIRD PARTIES

- A. Third-Party Beneficiaries.**
- B. Assignment.**

XII. INTERPRETATION

- A. In General.**
- B. Rules of Interpretation.**

XIII. PERFORMANCE

- A. In General.**
- B. Tender.**
- C. Conditions and Covenants.**
- D. Impossibility, Impracticability, and Frustration of Purpose.**

XIV. BREACH

- A. In General.**
- B. Kinds of Breach.**
- C. Effect of Breach.**
- D. Anticipatory Breach.**

XV. DAMAGES

- A. In General.**
- B. Particular Elements of Recovery.**
- C. Particular Kinds of Contracts.**
- D. Mitigating Damages.**
- E. Deduction for Benefits Received.**

XVI. DISCHARGE

- A. Methods of Discharge.**
- B. Termination and Cancellation.**
- C. Rescission by Mutual Consent.**
- D. Rescission by Injured Party.**
- E. Release.**
- F. Accord and Satisfaction.**
- G. Novation.**
- H. Modification or Alteration.**
- I. Account Stated.**

XVII. GOVERNMENT CONTRACTS

- A. In General.**
- B. Bids and Bidders.**
- C. Interpretation.**
- D. Excuses for Nonperformance.**
- E. Modification.**
- F. Disputes Clause.**
- G. Claims Resolution.**
- H. Termination and Renegotiation.**
- I. Government's Liability.**
- J. Miscellaneous Provisions.**

XVIII. SURETY CONTRACTS

- A. In General.**

CONTRACTS

- B. Rights of Sureties.**
- C. Liability of Sureties.**
- D. Right to Benefit of Securities.**
- E. Exoneration of Sureties.**

XIX. UNUSUAL TYPES OF CONTRACTS

- A. Organic Law of Association.**
- B. Corporation Charter.**
- C. Federal Grant.**
- D. Published University Regulations.**
- E. Unconfirmed Arbitration Award.**
- F. Regulated Forms.**

XX. QUASI-CONTRACTS AND RESTITUTION

- A. In General.**
- B. Defenses to Quasi-Contract Actions.**
- C. Necessity of Benefit to Defendant.**
- D. Benefits Voluntarily Conferred.**
- E. Benefits Conferred Under Mistake or Fraud.**
- F. Benefits Conferred Under Coercion.**
- G. Services Performed at Request.**
- H. Waiver of Tort.**
- I. Restitution Where Contract Fails.**

CONTRACTS

DETAILED OUTLINE

I. INTRODUCTION

A. Nature of Contract.

1. Definitions.
 - (a) [§1] Contract.
 - (b) [§2] Related Terms.
2. Elements.
 - (a) [§3] In General.
 - (b) [§4] Parties.
3. [§5] Other Transactions or Relationships Distinguished.

B. Modern Law of Contract.

1. [§6] Restatement.
2. [§7] Texts and Practice Works.
3. [§8] BAJI Instructions.
4. [§9] CACI Instructions.
5. [§10] New Theories.

C. Electronic Transactions.

1. In General.
 - (a) [§11] Uniform Act.
 - (b) [§12] Construction.
 - (c) [§13] Definitions.
 - (d) [§14] Applicability.
 - (e) [§15] Attribution of Electronic Record or Signature.
 - (f) [§16] Change or Error in Electronic Record.
 - (g) [§17] Sending and Receiving Records.

CONTRACTS

2. Agreement and Legal Effect.
 - (a) [§18] Agreement To Transact Electronically.
 - (b) [§19] Legal Effect or Enforceability of Electronic Record, Signature, or Contract.
 - (c) [§20] Automated Transactions.
3. Electronic Satisfaction.
 - (a) [§21] Requirement of Writing.
 - (b) [§22] Requirement of Notarization and Signature Under Penalty of Perjury.
 - (c) [§23] Requirement To Retain Records.
4. [§24] Notice of Right To Cancel.

II. CAPACITY OF PARTIES

A. [§25] General Rule.

B. Minors.

1. Who Are Minors.
 - (a) [§26] Age of Majority: 18 years.
 - (b) [§27] Misrepresentation of Age.
2. Void Contracts.
 - (a) [§28] Delegation of Power.
 - (b) [§29] Contract Relating to Real Property.
 - (c) [§30] Other Void Contracts.
3. Voidable Contracts.
 - (a) Disaffirmance.
 - (1) [§31] Statutory Right and Methods.
 - (2) [§32] No Need To Restore Consideration.
 - (b) [§33] No Recovery From Bona Fide Purchaser.

CONTRACTS

4. Binding Contracts.

(a) Contracts Authorized by Statute.

- (1) [§34] Contract for Necessaries.
 - (2) [§35] Contract for Attorneys' Fees.
 - (3) Contracts of Creative Artist, Entertainer, or Athlete.
 - (aa) [§36] Scope of Statute.
 - (bb) [§37] Court Approval.
 - (4) Contracts for Medical or Dental Care.
 - (aa) [§38] Nature of Statutes.
 - (bb) [§39] Unmarried Pregnant Minor.
 - (cc) [§40] Married Minor.
 - (dd) [§41] Minor in Military Service.
 - (ee) [§42] Minor Exposed to Communicable Disease.
 - (ff) [§43] Minor Raped or Sexually Assaulted.
 - (gg) [§44] Minor With Drug or Alcohol Problem.
 - (hh) [§45] Minor Needing Mental Health Treatment.
 - (ii) [§46] Minor Age 15 or Over Living Apart From Parent or Guardian.
 - (5) [§47] Miscellaneous Contracts.
 - (6) [§48] Emancipated Minors.
- (b) [§49] Parent's Agreement To Arbitrate.

C. Persons of Unsound Mind.

1. [§50] In General.
2. [§51] Capacity To Contract.
3. Void Contracts.
 - (a) [§52] Insanity Without Adjudication.
 - (b) Adjudication of Insanity.
 - (1) [§53] In General.

CONTRACTS

- (2) [§54] Conservatee.
- 4. [§55] Voidable Contracts.
- 5. Intoxication or Other Temporary Condition.
 - (a) [§56] Intoxication.
 - (b) [§57] Manic Depressive Psychosis.

D. [§58] Persons Deprived of Civil Rights.

III. CONFLICT OF LAWS

A. In General.

- 1. [§59] Nature of Conflicts Rules.
- 2. [§60] Earlier Strict Rules.
- 3. [§61] Approach of Restatement 2d.
- 4. [§62] California Follows Restatement 2d.
- 5. [§63] Governmental Interest Approach.

B. Validity and Effect of Contract.

- 1. In General.
 - (a) [§64] Importance of Contacts.
 - (b) [§65] Rule of Validation.
- 2. Law Chosen by Parties.
 - (a) Modern View.
 - (1) [§66] In General.
 - (2) [§67] Commercial Code and Restatement 2d.
 - (3) [§68] Distinction: Contracts Involving
Transaction of \$250,000 or Over.
 - (b) Illustrations.
 - (1) [§69] Usury.
 - (2) [§70] Statute of Limitations.

CONTRACTS

- (3) [§71] Breach of Duties Under Contract.
 - (4) [§72] Deficiency Judgment.
 - (5) [§73] Unfair Competition or Restraint of Trade.
3. Where No Choice Is Made.
- (a) Place of Contracting.
 - (1) [§74] Significance of Factor.
 - (2) [§75] What Constitutes Place of Contracting.
 - (b) [§76] Place of Performance.
 - (c) [§77] Location of Subject Matter.
 - (d) [§78] Domicile and Related Factors.
4. [§79] Public Policy Exception.
5. [§80] Where Applicable Law Is Not Ascertainable.
6. Particular Issues.
- (a) [§81] Capacity To Contract.
 - (b) Formalities of Execution.
 - (1) [§82] In General.
 - (2) [§83] Statute of Frauds.
 - (c) [§84] Essential Validity and Invalidating Factors.
 - (d) Illegality.
 - (1) Traditional Rule.
 - (aa) [§85] Place of Contracting.
 - (bb) [§86] Place of Performance.
 - (2) [§87] Restatement Rules.
 - (3) [§88] Usury.
 - (4) [§89] Intentional Violation of Foreign Law.
 - (e) Interpretation and Construction.
 - (1) [§90] California Cases and Statutes.
 - (2) [§91] Restatement Rules.
 - (f) [§92] Performance.
 - (g) [§93] Recovery for Breach.

CONTRACTS

C. Assignment.

1. [§94] In General.
2. [§95] Assignment as Between Assignee and Assignor.

D. [§96] Discharge.

E. Particular Contracts.

1. [§97] Contracts Involving Land.
2. [§98] Contracts Involving Chattels.
3. [§99] Other Contracts.

F. [§100] Restitution.

IV. CATEGORIES OF CONTRACT

A. [§101] Executory and Executed.

B. Express, Implied, and Quasi-Contracts.

1. [§102] Express and Implied in Fact Contracts.
2. [§103] Quasi-Contract and Implied in Fact Contract Distinguished.
3. [§104] Statutory Obligations.

C. Unilateral and Bilateral Contracts.

1. [§105] Nature and Presumptions.
2. [§106] Presumption of Bilateral Contract.
3. [§107] Illustrations of Unilateral Contracts.

D. Joint and Several Contracts.

1. Joint and Several Obligations.
 - (a) Nature and Distinctions.
 - (1) [§108] In General.

CONTRACTS

- (2) [§109] Joint and Several Obligation.
 - (3) [§110] Several Obligation.
 - (b) [§111] Performance and Discharge.
 - (c) [§112] Action and Judgment.
 - (d) [§113] Contribution.
2. [§114] Joint and Several Rights.

E. [§115] Judgment as Contract.

V. FORMATION: MUTUAL CONSENT

A. Objective Theory.

- 1. [§116] In General.
- 2. [§117] How Consent Is Manifested.
- 3. [§118] Negligence in Signing or Accepting Instrument.
- 4. Ignorance of Contractual Nature or Terms of Instrument.
 - (a) Contractual Terms Apparent to Reasonable Person.
 - (1) [§119] General Rule.
 - (2) [§120] Illustrations.
 - (b) Contractual Terms Not Apparent.
 - (1) [§121] Test.
 - (2) [§122] Illustrations.
 - (c) Statutory Requirements.
 - (1) [§123] In General.
 - (2) [§124] Translation.

B. Offer.

- 1. In General.
 - (a) [§125] Nature and Effect.
 - (b) [§126] Distinction: Warning or Demand.

CONTRACTS

2. Offer Not Contemplating Legal Relations.
 - (a) [§127] Jest or Social Engagement.
 - (b) [§128] Statement of Moral Obligation.
 - (c) [§129] Sham Instrument.
3. Preliminary Negotiations and External Conditions Precedent.
 - (a) Call for, or Attempt To Induce, Offer.
 - (1) [§130] Invitation To Make Offer.
 - (2) [§131] Solicitation by Auctioneer.
 - (3) [§132] Quotation or Estimate.
 - (b) [§133] Formal Writing Is Contemplated.
 - (c) [§134] Terms Are Incomplete or Writing Is Required.
 - (d) [§135] Approval of Others Is Contemplated or Required.
 - (e) [§136] Other Conditions Precedent.
4. Certainty of Offer.
 - (a) In General.
 - (1) [§137] Requirement of Certainty.
 - (2) [§138] Promises Held Uncertain.
 - (3) [§139] Promises Held Certain.
 - (b) Reasonable Interpretation of Nontechnical Language.
 - (1) [§140] Rule of Liberal Construction.
 - (2) Illustrations.
 - (aa) [§141] Nature and Quality of Performance.
 - (bb) [§142] Consideration or Price.
 - (cc) [§143] Duration of Contract.
 - (3) [§144] Inquiry into Purpose of Contract.
 - (4) [§145] Uncertainty Cured by Performance.
 - (c) Matters Left to Future Agreement.
 - (1) [§146] Minor or Nonessential Detail.
 - (2) Essential Element Reserved: No Contract.
 - (aa) [§147] General Rule.

CONTRACTS

- (bb) [§148] Distinction: Contract To Negotiate Agreement.
 - (cc) [§149] Terms of Renewal Lease.
 - (dd) [§150] Price of Stock.
 - (ee) [§151] Manner of Payment.
 - (3) Essential Element Reserved: Contract Enforced.
 - (aa) [§152] Terms of Lease.
 - (bb) [§153] Price of Goods or Stock.
 - (cc) [§154] Promise To Reach Agreement on Placement of Former Employees.
 - (4) [§155] Changes in Building Contract.
5. Termination of Offer.
- (a) [§156] In General.
 - (b) [§157] Lapse of Prescribed or Reasonable Time.
 - (c) [§158] Death or Incapacity of Offeror or Offeree.
 - (d) Revocation by Offeror.
 - (1) [§159] In General.
 - (2) [§160] When Revocation Becomes Effective.
 - (3) [§161] Indirect Revocation: “Reliable Information.”
 - (4) [§162] General Offer to Public.
 - (e) [§163] Rejection or Counteroffer by Offeree.
6. Revocability.
- (a) Offeror’s Right To Revoke.
 - (1) [§164] General Rule of Revocability.
 - (2) [§165] Exceptions.
 - (b) Offer of Unilateral Contract.
 - (1) [§166] Rule and Theories.
 - (2) [§167] Is the Offeree Bound?
7. Option.
- (a) [§168] Nature of Option.

CONTRACTS

- (b) [§169] Requisites of Option.
- (c) [§170] Rejection, Counteroffer, and Death or Incapacity.
- (d) Kinds of Options.
 - (1) Purchase Option.
 - (aa) [§171] In General.
 - (bb) [§172] Right Relates Back.
 - (2) [§173] Other Types.
- (e) Time of Exercise.
 - (1) [§174] Option for Fixed Period.
 - (2) [§175] Option Without Fixed Period.
- (f) Manner of Exercise.
 - (1) [§176] In General.
 - (2) [§177] Effective on Deposit in Mail.
- (g) Distinctions.
 - (1) [§178] Preemption Agreement.
 - (2) [§179] Binding Purchase Agreement.

C. Acceptance.

- 1. [§180] Who May Accept Offer.
- 2. Acceptor Must Have Knowledge of Offer.
 - (a) [§181] In General.
 - (b) [§182] Unilateral Contracts.
- 3. Acceptance Must Be Unqualified.
 - (a) [§183] General Rule.
 - (b) [§184] Grumbling Acceptance and Implied Qualifications.
- 4. Effect of Qualified Acceptance.
 - (a) [§185] In General.
 - (b) [§186] Exception for Sale of Goods.

CONTRACTS

5. Acceptance Must Be Communicated.
 - (a) [§187] Necessity of Communication.
 - (b) Methods of Communication.
 - (1) [§188] In General.
 - (2) [§189] Prescribed Manner or Reasonable Manner.
 - (3) [§190] Acceptance Improperly Dispatched.
 - (4) Mail or Telegraph.
 - (aa) [§191] In General.
 - (bb) [§192] Revocation Prior to Dispatch.
 - (c) Silence of Offeree.
 - (1) [§193] General Rule: No Acceptance.
 - (2) [§194] Duty To Speak: Previous Relationship or Course of Dealing.
 - (3) Use of Services, Goods, or Other Consideration.
 - (aa) [§195] Conduct as Acceptance.
 - (bb) [§196] Exception: Unsolicited Merchandise or Services.
 - (4) [§197] Offeree's Intention To Accept.
 - (5) Acceptance by Performance.
 - (aa) [§198] In General.
 - (bb) [§199] Notification to Offeror.
6. [§200] Withdrawal of Mailed Acceptance.
7. [§201] Waiver of Defect in Acceptance.

VI. FORMATION: CONSIDERATION

A. In General.

1. [§202] Requirement of Consideration.
2. [§203] Benefit or Detriment.
3. [§204] Consideration Given Pursuant to Agreement.

CONTRACTS

4. [§205] Value and Adequacy.
5. [§206] Presumption of Consideration.
6. [§207] Recital of Consideration.

B. What Constitutes Sufficient Consideration.

1. Unilateral Contract: Act or Forbearance.
 - (a) Acts.
 - (1) [§208] In General.
 - (2) [§209] Acts Not Involving Performance of Work or Services.
 - (3) [§210] Performance of Work or Services.
 - (b) [§211] Forbearance or Giving Up Right.
2. Bilateral Contract: Mutual Promises.
 - (a) [§212] In General.
 - (b) [§213] Extension Agreement.
 - (c) [§214] Composition With Creditors.
 - (d) [§215] Compromise of Disputed Claim.

C. What Constitutes Insufficient Consideration.

1. [§216] In General.
2. [§217] Past Consideration.
3. Promise To Perform Existing Legal Duty.
 - (a) [§218] Duty Owed to Other Contracting Party.
 - (b) [§219] Duty Owed to Others or Imposed by Law.
4. Compromise or Forbearance of Invalid Claim.
 - (a) [§220] Claim Wholly Invalid.
 - (b) [§221] Valid but Worthless Claim.
5. Moral Obligation.
 - (a) [§222] Traditional Rule.

CONTRACTS

- (b) Departures From Rule.
 - (1) [§223] In General.
 - (2) [§224] Restatement 2d.

D. Mutuality of Obligation.

- 1. In General.
 - (a) [§225] Nature of Problem.
 - (b) [§226] Restatement 2d.
- 2. Desire and Needs Contracts.
 - (a) [§227] Desire Contract: Illusory.
 - (b) [§228] Needs or Requirements Contract: Not Illusory.
- 3. [§229] Election To Approve or Modify.
- 4. [§230] Right To Modify.
- 5. Unqualified Right To Cancel.
 - (a) [§231] Illusory Contract.
 - (b) [§232] Effect of Part Performance.
 - (c) [§233] Effect of Consideration.
- 6. Restricted Right To Cancel.
 - (a) [§234] Rule and Theory.
 - (b) [§235] Event Restriction.
 - (c) [§236] Notice Restriction.
 - (d) [§237] Act Restriction.
- 7. [§238] Valid Promise Voidable by Law.

E. Where Consideration Is Unnecessary.

- 1. Revival of Barred Legal Obligation.
 - (a) Written Promise or Acknowledgment.
 - (1) [§239] Rule and Theory.
 - (2) [§240] Writing.
 - (3) [§241] Unqualified Admission.

CONTRACTS

- (b) [§242] Communication to Creditor.
- 2. [§243] Executed Transaction.
- 3. Promissory Estoppel.
 - (a) In General.
 - (1) [§244] Nature of Doctrine.
 - (2) [§245] Promise and Reliance.
 - (3) [§246] Causation.
 - (4) [§247] Damages.
 - (5) [§248] Distinction: Act Bargained For.
 - (b) Illustrative Applications.
 - (1) [§249] Promise Not To Foreclose or Forfeit.
 - (2) [§250] Promise To Pay Pension or Bonus.
 - (3) [§251] Subcontractor's Bid.
 - (4) [§252] Government Contract Offered to Bidders.
 - (5) [§253] Guaranty.
- 4. [§254] Charitable Subscriptions.
- 5. [§255] Stipulations.
- 6. [§256] Premarital Agreements.

VII. REALITY AND FREEDOM OF CONSENT

A. Mistake.

- 1. [§257] Allocation of Risk.
- 2. Mistake Preventing Mutual Assent: No Contract.
 - (a) [§258] Unilateral Mistake Where Other Party Is at Fault.
 - (b) [§259] Mutual Mistake: Neither Party or Both Are at Fault.
 - (c) [§260] Effect of Negligence.

CONTRACTS

3. Mistake That Makes Contract Voidable.
 - (a) Mistake of Fact.
 - (1) Mutual Mistake as to Basic Fact.
 - (aa) [§261] General Principle.
 - (bb) [§262] What Constitutes Basic Fact.
 - (2) Unilateral Mistake of Fact.
 - (aa) [§263] In General.
 - (bb) [§264] Restatement.
 - (cc) [§265] Adoption of Second Restatement Unconscionability Rule.
 - (dd) [§266] Other Party's Reliance.
 - (ee) [§267] No Relief Against Third Party.
 - (ff) [§268] Contractor's Bid.
 - (gg) [§269] Tax Sale.
 - (3) Negligence of Mistaken Party.
 - (aa) [§270] Relief Denied.
 - (bb) [§271] Excusable Neglect.
 - (cc) [§272] Mixed Mistake of Judgment and Fact.
 - (b) Mistake of Law.
 - (1) [§273] In General.
 - (2) Relief Granted.
 - (aa) [§274] Mutual Mistake.
 - (bb) [§275] Unilateral Mistake.
 - (3) [§276] Mistaken Belief in Future Court Decision.
4. Mistake in Writing: Reformation.
 - (a) In General.
 - (1) [§277] Nature of Remedy.
 - (2) [§278] Waiver of Right.
 - (3) [§279] Court Cannot Make New Contract.

CONTRACTS

- (b) Instruments That May Be Reformed.
 - (1) [§280] In General.
 - (2) [§281] Void or Unenforceable Contract.
 - (c) [§282] Types of Mistake.
 - (d) [§283] Effect of Plaintiff's Negligence.
 - (e) [§284] Intervening Rights of Third Persons.
5. [§285] Exculpatory Clause Protecting Defendant.

B. Fraud.

- 1. [§286] In General.
- 2. Actual Fraud.
 - (a) [§287] Traditional Elements.
 - (b) Acts Constituting Actual Fraud.
 - (1) Misrepresentation.
 - (aa) [§288] Intentional Misrepresentation.
 - (bb) [§289] Negligent Misrepresentation.
 - (cc) [§290] Misrepresentation of Law.
 - (dd) [§291] Fraudulent Representation.
 - (2) Concealment.
 - (aa) [§292] In General.
 - (bb) [§293] Relative Bids.
 - (3) [§294] False Promise.
- 3. Constructive Fraud.
 - (a) [§295] In General.
 - (b) [§296] Confidential Relationship.
 - (c) [§297] Creditor's Duty to Guarantor.
- 4. Effect of Fraud.
 - (a) Fraud in Inducement.
 - (1) [§298] Rescission.
 - (2) [§299] Reformation.

CONTRACTS

- (b) [§300] Fraud in Inception.
 - (c) Reliance by Defrauded Party.
 - (1) [§301] Nature of Requirement.
 - (2) [§302] Negligence of Defrauded Party.
 - (d) Fraud Without Injury or Damage.
 - (1) [§303] Injury Without Pecuniary Damage.
 - (2) [§304] Rescission Without Injury.
 - (e) Provision Waiving Contest for Fraud.
 - (1) [§305] Representations Made by Party.
 - (2) [§306] Agent's Representation: Innocent Principal.
 - (3) [§307] Agent's Representation: Guilty Principal.
5. Innocent Misrepresentation.
- (a) [§308] Ground for Rescission.
 - (b) [§309] Materiality of Representation.

C. Duress.

- 1. [§310] Nature and Kinds of Duress.
- 2. [§311] Effect of Duress.
- 3. Threat of Duress (Menace).
 - (a) [§312] In General.
 - (b) [§313] Threat of Criminal Prosecution.
- 4. Economic Compulsion.
 - (a) [§314] Traditional Rule on Lawful Acts.
 - (b) [§315] Relief Granted.
 - (c) [§316] Relief Denied.

D. Undue Influence.

- 1. [§317] Nature and Types.
- 2. [§318] Effect of Undue Influence.

CONTRACTS

3. Parties in Confidential Relationship.
 - (a) [§319] Fiduciaries.
 - (b) [§320] Agents.
 - (c) [§321] Families and Friends.
4. [§322] No Confidential Relationship.

E. Adhesive or Unconscionable Contracts.

1. [§323] Alternate Approaches.
2. Adhesion Contracts.
 - (a) In General.
 - (1) [§324] Judicial Development of Concept.
 - (2) [§325] Restatement 2d: Standardized Agreements.
 - (3) [§326] Contract Meeting Adhering Party's Reasonable Expectations.
 - (b) Arbitration Agreements.
 - (1) [§327] Valid Agreements.
 - (2) [§328] Invalid Agreements.
 - (3) [§329] Statutory Compulsory Agreement.
 - (c) [§330] Where Doctrine Is Not Applicable.
3. Unconscionable Contract or Term.
 - (a) In General.
 - (1) [§331] Commercial Code and California Statute.
 - (2) [§332] Restatement 2d.
 - (b) Procedural and Substantive Unconscionability.
 - (1) [§333] In General.
 - (2) [§334] Unconscionability Defense Applied.
 - (c) Arbitration Agreement.
 - (1) Underlying Contract or Provision.
 - (aa) [§335] Promoter's Contract With Artist.
 - (bb) [§336] Purchase Subject to Covenants,

CONTRACTS

Conditions, and Restrictions.

- (cc) [§337] Employment Contract.
- (dd) [§338] Other Contract or Provision.
- (2) [§339] Federal Law.
- (d) [§340] Bank Depositor's Signature Card.
- (e) [§341] Loan at Excessive Interest.
- (f) [§342] Employment Contract Terminating Commissions.

VIII. STATUTE OF FRAUDS

A. In General.

1. Requirement of Writing.
 - (a) [§343] History and Modern Approach.
 - (b) [§344] California Codes.
2. Contract Unenforceable.
 - (a) [§345] Defense Waived If Not Asserted.
 - (b) [§346] No Affirmative Action.
 - (c) [§347] Evidentiary Effect.
3. How Statute May Be Invoked.
 - (a) [§348] Raising Defense in Lower Court.
 - (b) [§349] Party to Contract or in Privity.
4. [§350] Parol Evidence Rule Distinguished.

B. The Note or Memorandum.

1. Nature of Requirement.
 - (a) [§351] Evidence of Terms.
 - (b) [§352] Informal Writings.
 - (c) [§353] Writing Not Intended as Memorandum.

CONTRACTS

2. Sufficiency of Memorandum.
 - (a) Strict Rule: Essential Elements of Contract.
 - (1) [§354] Restatement 2d: Strict Rule.
 - (2) [§355] California Cases.
 - (b) Relaxation of Rule.
 - (1) [§356] Description of Property.
 - (2) [§357] Broker's Authorization.
 - (3) [§358] Noncontractual Writing.
 - (4) [§359] Sale of Goods.

C. Signed by Party To Be Charged.

1. [§360] Who Is Party To Be Charged.
2. [§361] Signature Need Not Be at End of Document.
3. [§362] Signature Need Not Be Legal Name.
4. [§363] Signature Need Not Be Handwritten.

D. Contracts Within the Statute.

1. Contract Not To Be Performed Within One Year.
 - (a) [§364] In General.
 - (b) [§365] Commencement and Computation of Period.
 - (c) Where Performance Is Possible Within One Year.
 - (1) [§366] Indefinite Period.
 - (2) [§367] Conditional Contract.
 - (3) [§368] Option To Terminate.
 - (4) [§369] Option To Extend.
 - (5) [§370] Performance Excused or Discharged.
 - (d) [§371] Exception for Complete Performance on One Side.
2. [§372] Contract Not To Be Performed During Promisor's Lifetime.

CONTRACTS

3. Promise To Meet Another's Obligation.
 - (a) The Suretyship Provision.
 - (1) [§373] Scope of Statute.
 - (2) [§374] Restatement 2d.
 - (b) Where Statute Does Not Apply.
 - (1) [§375] Promise to Debtor or Third Person.
 - (2) Original Obligation of Promisor.
 - (aa) [§376] In General.
 - (bb) [§377] Main Purpose or Leading Object Rule.
 - (c) [§378] The Executor-Administrator Provision.
4. Sale of Goods for \$500 or More.
 - (a) [§379] Scope of Statute.
 - (b) Exceptions.
 - (1) [§380] Part Payment and Apportionment.
 - (2) [§381] Acceptance and Receipt of Part of Goods.
 - (3) [§382] Contract To Manufacture Goods.
 - (4) [§383] Admission That Contract Was Made.
 - (5) [§384] Qualified Financial Contract.
5. [§385] Sale of Personal Property Worth \$5,000 or More.
6. Sale or Lease of Real Property.
 - (a) [§386] Scope of Statute.
 - (b) Distinctions and Exceptions.
 - (1) [§387] In General.
 - (2) [§388] Oral Rescission of Sales Contract.
7. Agency To Contract in Writing.
 - (a) Authority To Bind Principal.
 - (1) [§389] Equal Dignities Rule.
 - (2) Exceptions.
 - (aa) [§390] Agent Acting Mechanically.

CONTRACTS

- (bb) [§391] Executive Officer of Corporation.
- (cc) [§392] Liability of Principal to Agent.
- (b) Real Estate Agent's Right to Commissions.
 - (1) [§393] Nature and Effect of Statute.
 - (2) Scope of Statute.
 - (aa) [§394] Oral Agreement To Lease.
 - (bb) [§395] Oral Agreement To Obtain Option.
 - (cc) [§396] Oral Finders Agreement.
 - (3) [§397] Exception: Agreement To Sell Personal Property.
 - (4) [§398] Distinctions.
- 8. [§399] Contract To Loan Money or Extend Credit.
- 9. [§400] Marital and Premarital Agreements.
- 10. [§401] Miscellaneous Provisions.

E. Where Statute Does Not Apply.

- 1. [§402] Executed Oral Agreement.
- 2. Part Performance: Transfer of Land.
 - (a) [§403] Scope of Exception.
 - (b) What Constitutes Part Performance.
 - (1) [§404] In General.
 - (2) [§405] Sufficiency of Possession.
 - (3) [§406] Restatement 2d.
- 3. Estoppel To Plead Statute.
 - (a) In General.
 - (1) [§407] Theory of Exception.
 - (2) [§408] Restatement 2d: Promissory Estoppel.
 - (b) Conduct of Defendant.
 - (1) [§409] In General.

CONTRACTS

- (2) Change of Position and Unjust Enrichment.
 - (aa) [§410] In General.
 - (bb) [§411] Real Estate Broker's Authorization.
 - (cc) [§412] Finder's Agreement.
 - (dd) [§413] Other Situations.
- (c) Where Recovery Will Be Denied.
 - (1) No Substantial Change of Position.
 - (aa) [§414] In General.
 - (bb) [§415] Real Estate Broker's Authorization.
 - (2) [§416] No Unjust Enrichment.
 - (3) [§417] Contract Made by Agent.
- 4. [§418] Qualified Financial Contract.
- 5. [§419] Personal Property Leases.

IX. ILLEGALITY: IN GENERAL

A. What Constitutes Illegality.

- 1. [§420] Illegal Consideration.
- 2. [§421] Illegal Object.
- 3. Partial Illegality and Severability.
 - (a) [§422] General Principles.
 - (b) [§423] Liberal Rule of Severability.
- 4. Indirect Connection With Illegal Transaction.
 - (a) Remote Connection or Mere Knowledge.
 - (1) [§424] General Rule and Theory.
 - (2) [§425] Seller of Goods.
 - (3) Lender of Money.
 - (aa) [§426] In General.
 - (bb) [§427] Loan to Gambler.

CONTRACTS

- (b) Severance of Executory and Executed Phases.
 - (1) [§428] Agreement To Sell and Sale.
 - (2) [§429] Title Resulting From Performance.
 - (c) [§430] Executory Agreement Superseding Illegal Agreement.
5. [§431] Illegal Contract Is Foundation of Suit.

B. Effect of Illegality.

- 1. In General: Contract Void.
 - (a) [§432] Malum In Se and Malum Prohibitum.
 - (b) [§433] No Ratification, Waiver, or Estoppel.
 - (c) [§434] No Validity by Statutory Repeal.
 - (d) [§435] Pleading Unnecessary.
 - (e) [§436] Form Disregarded: Use of Parol Evidence.
 - (f) [§437] No Quasi-Contract Recovery.
 - (g) [§438] No Setoff Where Public Interest Is Involved.
- 2. Effect of Being, or Not Being, In Pari Delicto.
 - (a) Restitution or Quasi-Contract Recovery.
 - (1) [§439] Plaintiff's Right to Restitution.
 - (2) [§440] Sales Contract.
 - (b) Enforcement of Contract.
 - (1) [§441] General Rule: No Enforcement.
 - (2) When Contract Will Be Enforced.
 - (aa) [§442] In General.
 - (bb) [§443] License Cases.
 - (cc) [§444] Plaintiff In Pari Delicto.
 - (dd) [§445] Illegal Partnership.
 - (c) [§446] Member of Protected Class.
 - (d) [§447] Determination of Relative Wrong.
- 3. [§448] Voluntary Withdrawal From Executory Contract.

CONTRACTS

4. [§449] Illegal Provision Inserted by Mistake.
5. [§450] Relief Against Forfeiture.
6. [§451] Attempt To Evade Illegality by Arbitration.

C. Classes of Illegal Contracts.

1. [§452] In General.
2. Contracts Contrary to Public Policy.
 - (a) [§453] General Principle.
 - (b) [§454] Restatement 2d.
 - (c) [§455] Illustrations.

X. ILLEGALITY: PARTICULAR ILLEGAL CONTRACTS.

A. Usury.

1. California Legislation.
 - (a) [§456] Usury Law.
 - (b) Constitutional Provision.
 - (1) [§457] Former Section and Revision.
 - (2) Exemptions.
 - (aa) [§458] In General.
 - (bb) [§459] Real Estate Brokers.
 - (c) [§460] Pawnbroker Regulations.
 - (d) [§461] Industrial Loan Law.
 - (e) [§462] Loans Secured by Real Property.
 - (f) California Finance Lenders Law.
 - (1) In General.
 - (aa) [§463] Statutory Development.
 - (bb) [§464] Scope and Effect.
 - (cc) [§465] Exemptions.
 - (2) Consumer Loans.
 - (aa) [§466] Definitions.

CONTRACTS

- (bb) [§467] Rate of Charges.
- (3) [§468] Commercial Loans.
- 2. Effect of Usurious Provision.
 - (a) [§469] In General.
 - (b) [§470] Penalty of Treble Interest.
 - (c) [§471] Recovery of Interest.
- 3. What Constitutes Usury.
 - (a) [§472] General Rule and Test.
 - (b) Excessive Interest, Charges, or Bonus.
 - (1) [§473] In General.
 - (2) [§474] Compound Interest.
 - (c) [§475] Payments Under Collateral Contract.
 - (d) [§476] Forbearance.
- 4. Where Statute Does Not Apply.
 - (a) Sale of Property.
 - (1) [§477] In General.
 - (2) [§478] Modification of Interest Rate on Secured Note.
 - (b) [§479] Purchase of Property Subject to Loan.
 - (c) [§480] Purchase of Note at Discount.
 - (d) [§481] Partnership or Joint Venture.
 - (e) [§482] Payments Contingent.
 - (f) [§483] Voluntary Exercise of Prepayment Option.
 - (g) [§484] Forbearance Fees.

B. Consumer Credit Laws.

- 1. [§485] Federal Law.
- 2. [§486] California Law.

CONTRACTS

C. Contracts of Unlicensed Persons.

1. General Principles.
 - (a) [§487] Scope of Rule.
 - (b) [§488] Test: Regulatory Statute.
2. Illustrations.
 - (a) [§489] Architects.
 - (b) Contractors.
 - (1) Scope of Act.
 - (aa) [§490] In General.
 - (bb) [§491] No Exemption for Exceptional Circumstances.
 - (2) Licensing Requirement.
 - (aa) [§492] In General.
 - (bb) [§493] Burden of Proof of Due Licensure.
 - (cc) [§494] Time When License Is Acquired.
 - (dd) [§495] Unlicensed Status as Defense Against Assignees.
 - (ee) [§496] No Requirement That Contract Be for Payment of Money.
 - (ff) [§497] General Building Contractor's License as Covering Site Preparation Work.
 - (gg) [§498] License Held Under Fictitious Business Name.
 - (3) Where Act Does Not Apply.
 - (aa) [§499] In General.
 - (bb) [§500] Employees.
3. Distinctions and Exceptions.
 - (a) [§501] Tort or Breach of Separate Contract.
 - (b) [§502] Action To Dissolve Joint Venture.
 - (c) Substantial Compliance by Contractor.
 - (1) [§503] Earlier Conflicting Cases.

CONTRACTS

- (2) [§504] Modern Test.
- (3) [§505] Legislative Changes.
- (d) [§506] Paramount Public Policy Involved.

D. Penalties and Liquidated Damages.

- 1. Law Preceding Revised Statute.
 - (a) What Constitutes Unenforceable Penalty.
 - (1) [§507] In General.
 - (2) [§508] Illustrations.
 - (3) [§509] Late-Charge Interest.
 - (b) Valid Provisions: In General.
 - (1) [§510] Rule and Test.
 - (2) Illustrations.
 - (aa) [§511] Cooperative Marketing Agreements.
 - (bb) [§512] Service Installations.
 - (cc) [§513] Contract Payment or Rate.
 - (dd) [§514] Alternative Contract.
 - (ee) [§515] Commitment Fee to Lender.
 - (ff) [§516] Prepayment Penalty.
 - (gg) [§517] Deposit by Bidder on Government Contract.
 - (hh) [§518] Renewal Commissions Dependent on Continued Agency.
 - (ii) [§519] Faithful Performance Bond.
 - (c) Provisions in Leases.
 - (1) [§520] Unenforceable Penalties.
 - (2) Valid Provisions.
 - (aa) [§521] Advance Rent Payment.
 - (bb) [§522] Bonus for Execution.
 - (cc) [§523] Options.
 - (dd) [§524] Increased Rent for Holding Over.

CONTRACTS

- (d) Deposit To Secure Performance.
 - (1) [§525] In General.
 - (2) Residential Leases.
 - (aa) [§526] In General.
 - (bb) [§527] Tenant's Right to Initial Inspection by Landlord.
 - (cc) [§528] Termination of Landlord's Interest.
 - (dd) [§529] Disposition of Security.
 - (ee) [§530] What Constitutes Security.
 - (ff) [§531] Landlord Need Not Pay Interest to Tenant.
 - (gg) [§532] Payment of Unreturnable Deposits to Tenants' Organization.
 - (hh) [§533] Landlord's Right to Setoff Despite Failure To Comply With Statute.
 - (3) [§534] Other Property.
 - (e) [§535] Recovery Without Actual Damages Suffered.
- 2. [§536] Restatement 2d.
 - 3. Revised Liquidated Damages Law.
 - (a) In General.
 - (1) [§537] Nature and Purpose of Revision.
 - (2) [§538] Organization and Scope of Law.
 - (3) [§539] General Rule of Validity.
 - (b) Illustrative Applications of General Rule.
 - (1) [§540] Deposits.
 - (2) [§541] Prepayment Fee Contingent on Late Interest Payments.
 - (3) [§542] Service Installations.
 - (4) [§543] Bank's Charge for Insufficient Funds Checks.
 - (5) [§544] Other Applications.

CONTRACTS

- (c) Consumer's Contract for Property or Services.
 - (1) [§545] In General.
 - (2) [§546] Fees Against Credit Card Customers.
 - (3) [§547] Agreement To Pay Collection Costs.
- (d) [§548] Lease of Dwelling.
- (e) Real Property Purchase Contract.
 - (1) [§549] Scope of Statutes.
 - (2) [§550] Residential Property: In General.
 - (3) [§551] Residential Property: Proof.
 - (4) [§552] Condominiums.
 - (5) [§553] Other Real Property.
- (f) [§554] Public Works Construction Contracts.

E. Restraint of Trade and Other Illegal Trade Practices.

- 1. Federal Law.
 - (a) In General.
 - (1) [§555] Common Law and Statutory Policy.
 - (2) [§556] Federal Statutes.
 - (3) Enforcement and Procedure.
 - (aa) [§557] In General.
 - (bb) [§558] Private Suits: Cause of Action.
 - (cc) [§559] Private Suits: Remedies.
 - (b) Activities Subject to Regulation.
 - (1) [§560] In General.
 - (2) [§561] Sports.
 - (c) Exempt Activities.
 - (1) [§562] Regulated Businesses.
 - (2) [§563] Labor Organizations.
 - (3) [§564] State Action.
 - (4) Other Activities.
 - (aa) [§565] Agricultural Cooperatives.

CONTRACTS

- (bb) [§566] Insurance.
 - (cc) [§567] Attempts To Influence Government Action.
 - (d) Sherman Antitrust Act.
 - (1) [§568] The Statute.
 - (2) [§569] Monopolies and Rule of Reason.
 - (3) [§570] Price Fixing and Control.
 - (4) [§571] Boycott.
 - (5) [§572] Other Prohibited Acts.
 - (e) [§573] Federal Trade Commission Act.
 - (f) Clayton Act.
 - (1) [§574] In General.
 - (2) [§575] Tying and Exclusive Dealing Provisions.
 - (3) [§576] Acquisitions of Stock and Mergers.
 - (g) Robinson-Patman Act.
 - (1) [§577] Price Discrimination Prohibited.
 - (2) [§578] Permissible Practices and Defenses.
 - (h) Racketeer Influenced and Corrupt Organizations Act.
 - (1) [§579] Nature and Scope of Statute.
 - (2) [§580] Offenses.
 - (3) [§581] State Court Jurisdiction Over Actions.
 - (4) [§582] Procedure.
 - (5) [§583] Penalties and Remedies.
2. California Law.
- (a) Contracts Not To Compete.
 - (1) [§584] In General.
 - (2) [§585] Restatement 2d.
 - (3) Employment Agreements.
 - (aa) [§586] General Rule of Invalidity.
 - (bb) [§587] Edwards Case.
 - (cc) [§588] Rejection of Doctrine of Inevitable

CONTRACTS

Disclosure.

- (dd) [§589] Employee's Pension Plan.
- (ee) [§590] No-Hire Provision.
- (ff) [§591] Distinction: Customer List.
- (gg) [§592] Valid Noninterference Agreement.

(4) Exceptions.

- (aa) [§593] Sale of Goodwill of Business.
- (bb) [§594] Sale of Ownership Interest in Business.
- (cc) [§595] Dissolution of Partnership.
- (dd) [§596] Dissolution of Limited Liability Company.
- (ee) [§597] Partially Valid Agreements.
- (ff) [§598] Division of Marital Property.

(5) [§599] Enjoining Attempt To Enforce Out-of-State Covenant Not To Compete.

(b) Contracts for Exclusive Dealing.

- (1) [§600] In General.
- (2) [§601] Tying Agreements.

(c) Cartwright Act.

- (1) [§602] Nature of Act.
- (2) [§603] Requirement of Separate Entities.
- (3) [§604] Scope of Act.
- (4) [§605] Relationship to Patent Law.
- (5) Activities Not Covered.
 - (aa) [§606] Statutory and Case Law Exceptions.
 - (bb) [§607] Efforts To Influence Governmental Action.
 - (cc) [§608] Mergers.
- (6) [§609] Validity of Act.
- (7) Applicability of Federal Cases.
 - (aa) [§610] In General.

CONTRACTS

- (bb) [§611] Rule of Reason.
- (8) Enforcement.
 - (aa) [§612] In General.
 - (bb) [§613] Action by Attorney General or District Attorney.
 - (cc) [§614] Remedies Available to State or Subdivision.
 - (dd) [§615] Treble Damage Action by Private Person.
 - (ee) [§616] Parens Patriae Action.
 - (ff) [§617] Action for Indirect Injury.
 - (gg) [§618] Jury Instructions.
- (9) Illustrations.
 - (aa) [§619] Bid Depositories.
 - (bb) [§620] Tying Arrangements.
 - (cc) [§621] Realtors Multiple Listing Service.
 - (dd) [§622] Interest Rates.
- (d) Unfair Practices Act.
 - (1) [§623] Nature of Act.
 - (2) [§624] Scope of Act and Distinctions.
 - (3) [§625] Enforcement.
 - (4) [§626] Price Differential to Subdistributor.
 - (5) [§627] Secret Payment of Rebates or Unearned Discounts.
 - (6) [§628] Loss Leaders.
 - (7) [§629] Discount to Cigarette Distributors.
 - (8) [§630] Cellular Telephones.
 - (9) [§631] Jury Instructions.
- (e) [§632] Royalty Contracts for Performance of Copyrighted Musical Works.
- (f) [§633] Fair Trade Laws Abrogated.

CONTRACTS

F. Contracts Concerning Domestic Relations.

1. Invalid Agreements.
 - (a) [§634] Contract Restraining Marriage.
 - (b) Contract Promotive of Divorce (Dissolution).
 - (1) [§635] In General.
 - (2) [§636] Married Person's Promise To Marry.
 - (3) [§637] Agreement for Compensation on Divorce.
 - (c) [§638] Contract To Alter Marital Obligations.
 - (d) [§639] Contract To Compensate for Domestic Services.
 - (e) [§640] Traditional Surrogacy Contract.
2. Valid Agreements.
 - (a) [§641] Separation and Property Agreements.
 - (b) [§642] Contract Affecting Child Custody.
 - (c) [§643] Surrogate Motherhood Contracts.
 - (d) [§644] Other Agreements.

G. Wagering and Gambling Contracts.

1. What Constitutes Illegal Wager.
 - (a) [§645] In General.
 - (b) [§646] Lottery.
 - (c) [§647] Raffles by Nonprofit Organizations.
 - (d) [§648] Endless Chain Scheme.
 - (e) [§649] Gambling on Indian Land.
2. [§650] Where Promisor Receives Agreed Exchange.

H. Contracts Obstructing Administration of Justice.

1. [§651] Contracts Involving Evidence.
2. [§652] Agreement With Heir Hunter.
3. Contract To Refrain From Prosecution.
 - (a) [§653] In General.

CONTRACTS

- (b) [§654] Distinction: Contract for Dismissal of Charge.
- 4. [§655] Illegal Contracts of Attorney.
- 5. [§656] Contract To Pay Child Sex Victim.
- 6. [§657] Contract To Refrain From Performing Legally Required Act.

I. Agreement Tending To Defraud Third Person.

- 1. [§658] In General.
- 2. [§659] Collusive Settlement in Joint Tort Action.
- 3. [§660] Agreement Seeking To Evade Taxes.

J. Contracts Adversely Affecting Public Welfare.

- 1. [§661] Contracts To Influence Public Officers.
- 2. [§662] Contract Without Competitive Bidding.
- 3. Contract Violating Public Debt Limitation.
 - (a) [§663] Constitutional Provisions and General Rule.
 - (b) [§664] Exceptions.
- 4. Contract of Interested Public Officer.
 - (a) [§665] In General.
 - (b) California Legislation.
 - (1) [§666] General Statute.
 - (2) [§667] Honig Case.
 - (3) [§668] Other Statutes.
 - (c) [§669] What Constitutes Making of Contract.
 - (d) [§670] What Constitutes Financial Interest.
 - (e) [§671] Remote Nondisqualifying Interest.
 - (f) [§672] Other Nondisqualifying Interest.
 - (g) [§673] Effect of Violation.
- 5. [§674] Contracts of Health Care Service Plans.

CONTRACTS

6. [§675] Contracts for Bringing Worker to United States.
7. [§676] Subcontractor Enrolled in Wrap-Up Insurance Policy.
8. [§677] Provision in Consumer Contract Waiving
Consumer's Right To Make Statements.

K. Exemption From and Limitation of Liability.

1. In General.
 - (a) [§678] Restatement 2d.
 - (b) [§679] California Law.
 - (c) [§680] Distinctions.
2. Invalid Provisions.
 - (a) Areas Involving Public Interest.
 - (1) [§681] Medicine.
 - (2) [§682] Automobiles.
 - (3) [§683] Employment.
 - (4) [§684] Other Areas.
 - (b) Construction and Trucking Indemnity Contracts.
 - (1) [§685] Statutory Prohibitions.
 - (2) [§686] Exceptions.
 - (c) Residential Leases.
 - (1) [§687] Former Law: Exemption Upheld.
 - (2) [§688] Exemption Limited to Passive Negligence.
 - (3) [§689] Exemption Rejected.
3. Valid Exemption Where No Public Interest Is Involved.
 - (a) In General.
 - (1) [§690] Valid Despite C.C. 1668.
 - (2) [§691] Distinction: "Any Negligent Act" Does
Not Include Gross Negligence.
 - (3) [§692] Meaning of Term "Negligent" in C.C.
1668.
 - (4) [§693] Exemption Is Strictly Construed.

CONTRACTS

- (b) Illustrations.
 - (1) [§694] Purchase of Airplane.
 - (2) [§695] “Sole Remedy” Provision in Employment Contract.
 - (3) [§696] Other Illustrations.
- 4. Valid Limitation Provisions.
 - (a) [§697] In General.
 - (b) [§698] Regulated Public Utility.

L. Waivers of Statutory Rights.

- 1. Valid Waivers.
 - (a) [§699] Procedural Provisions.
 - (b) [§700] Other Rights.
- 2. Invalid Waivers.
 - (a) [§701] Waivers by Mortgagors.
 - (b) [§702] Waivers by Employees.
 - (c) [§703] Waivers by Tenants.
 - (d) [§704] Miscellaneous Substantive Rights.

XI. RIGHTS AND OBLIGATIONS OF THIRD PARTIES

A. Third-Party Beneficiaries.

- 1. [§705] Nature of Right.
- 2. Classification.
 - (a) [§706] Creditor and Donee Beneficiaries.
 - (b) Intended and Incidental Beneficiaries.
 - (1) [§707] Restatement 2d.
 - (2) [§708] Intended Beneficiaries.
 - (3) Incidental Beneficiaries.
 - (aa) [§709] General Rule.
 - (bb) [§710] Audit Reports.

CONTRACTS

- (cc) [§711] No Action Against Government Contractor.
- (dd) [§712] Other Illustrations.

3. Rights, Remedies, Duties, and Defenses.

- (a) [§713] Duties of Promisor.
- (b) [§714] Rights and Remedies of Beneficiary.
- (c) [§715] Defenses of Promisor.
- (d) [§716] Promisee's Right To Bring Damage Action Against Promisor.

4. Particular Beneficiaries Who May Enforce Agreement.

- (a) [§717] Beneficiary of Assumption Agreement.
- (b) [§718] Prospective Beneficiary of Will.
- (c) [§719] Express Though Not Sole Beneficiary.
- (d) Express Beneficiary Not Identified.
 - (1) In General.
 - (aa) [§720] Identification of Beneficiary.
 - (bb) [§721] Illustrations.
 - (2) [§722] Collective Labor Agreement.
 - (3) [§723] Beneficiary Not in Existence When Contract Was Formed.

5. Rescission or Modification.

- (a) [§724] In General.
- (b) [§725] California Law.
- (c) [§726] Distinction: Plaintiff Promisee.

B. Assignment.

1. In General.

- (a) [§727] Nature of Assignment.
- (b) [§728] Classification of Assignments.
- (c) [§729] Requisites of Assignment.

CONTRACTS

- (d) Assignment for Benefit of Creditors.
 - (1) [§730] In General.
 - (2) [§731] Conformity With Federal Statutes.
- 2. Assignment of Contracts.
 - (a) [§732] Contracts Ordinarily Assignable.
 - (b) Contracts Not Assignable.
 - (1) Contractual Provision Against Assignment.
 - (aa) [§733] Nature and Effect.
 - (bb) [§734] Waiver by Promisee.
 - (cc) [§735] Formal or Technical Assignment.
 - (dd) [§736] Assignment of Money Due or To Become Due.
 - (2) [§737] Statutory Prohibition of Assignment.
 - (3) Contract Personal in Character.
 - (aa) [§738] General Rule and Test.
 - (bb) [§739] Contracts Held Assignable.
- 3. Assignment of Choses in Action.
 - (a) Rights Ordinarily Assignable.
 - (1) [§740] In General.
 - (2) [§741] Distinctions.
 - (b) Assignment of Future Rights.
 - (1) [§742] Expectancies.
 - (2) [§743] Rights Under Contract or Employment.
 - (c) Assignment of Wages.
 - (1) Statutory Restrictions.
 - (aa) [§744] Formal Requisites.
 - (bb) [§745] Other Conditions.
 - (2) [§746] Scope and Waiver of Restrictions.
 - (d) Nonassignable Rights.
 - (1) [§747] Claims for Personal Wrongs.
 - (2) [§748] Statutory Penalty.

CONTRACTS

- (3) Claim for Legal Malpractice.
 - (aa) [§749] In General.
 - (bb) [§750] Bankruptcy.
 - (cc) [§751] Limited Exception to General Rule Against Assignment.
- 4. Effect of Assignment.
 - (a) Liabilities of Assignor.
 - (1) [§752] Liability to Promisee.
 - (2) [§753] Liability to Assignee.
 - (b) Rights of Assignee.
 - (1) In General.
 - (aa) [§754] Complete Assignment.
 - (bb) [§755] Partial Assignment.
 - (2) Incidental Rights Pass With Assignment.
 - (aa) [§756] General Rules.
 - (bb) [§757] Matters That Are Not Incidental.
 - (3) Notice and Defenses of Obligor.
 - (aa) [§758] In General.
 - (bb) [§759] Rights Under Executory Contract.
 - (4) [§760] Latent Equities.
 - (5) Priorities Among Successive Assignees.
 - (aa) [§761] In General.
 - (bb) [§762] Nonnotification Financing of Accounts Receivable.
 - (c) [§763] Liability of Assignee.

XII. INTERPRETATION

A. In General.

- 1. [§764] Nature of Interpretation.
- 2. [§765] General Application of Rules.

CONTRACTS

3. [§766] Distinctions.

B. Rules of Interpretation.

1. [§767] Intention of Parties: Objective Test.
2. [§768] Ordinary Words and Technical Language.
3. Interpretation as a Whole.
 - (a) [§769] Single Writing.
 - (b) [§770] Several Writings.
4. [§771] Surrounding Circumstances.
5. [§772] Subsequent Conduct of Parties.
6. Reasonable, Operative, and Lawful Interpretation.
 - (a) [§773] General Rule.
 - (b) [§774] Rejecting or Supplying Words.
 - (c) [§775] Applicable Laws Become Part of Contract.
 - (d) [§776] Effect of Change in Law: Old Law Governs.
7. [§777] Inconsistency Between Parts of Contract.
8. Usage and Custom as Aid to Interpretation.
 - (a) [§778] In General.
 - (b) [§779] Assent or Knowledge.
9. [§780] Interpretation Against Party Causing Uncertainty.
10. [§781] Contracts Containing Medium of Payment in European Currency.

XIII. PERFORMANCE

A. In General.

1. [§782] Discharge by Performance.
2. [§783] Demand of Performance.

CONTRACTS

3. [§784] Place of Performance.
4. Time of Performance.
 - (a) [§785] Reasonable Time.
 - (b) [§786] Payment of Money.
 - (c) [§787] Time Specified and Extensions.
5. Several Debts: Application of Payments.
 - (a) [§788] Specification by Parties.
 - (b) [§789] Statutory Rules.
6. [§790] Election of Alternative Modes of Performance.
7. [§791] Conditional Payment by Mailing Check.

B. Tender.

1. Nature and Effect.
 - (a) [§792] Offer of Performance.
 - (b) [§793] Effect on Incidents of Obligation.
 - (c) [§794] Requisites of Tender.
2. Waiver of Defects by Failure To Object.
 - (a) [§795] In General.
 - (b) [§796] Timely Correction of Mistake.
3. [§797] Excuse Where Tender Is Useless.
4. [§798] Deposit in Bank Distinguished.

C. Conditions and Covenants.

1. Nature and Distinctions.
 - (a) [§799] Conditions.
 - (b) [§800] Express and Implied Conditions.
 - (c) [§801] Conditions and Covenants Distinguished.
 - (d) [§802] Restatement 2d.

CONTRACTS

2. Conditions Precedent.
 - (a) Performance of Act.
 - (1) [§803] Vendor and Purchaser.
 - (2) [§804] Other Illustrations.
 - (b) [§805] Performance to Satisfaction of Third Person.
 - (c) Performance to Satisfaction of Promisor.
 - (1) [§806] Nature of Problem.
 - (2) Fancy, Taste, or Judgment.
 - (aa) [§807] Good Faith Test.
 - (bb) [§808] Satisfactory Services.
 - (cc) [§809] Satisfactory Lease.
 - (3) Mechanical Utility or Operative Fitness.
 - (aa) [§810] In General.
 - (bb) [§811] Commercial Factors.
 - (cc) [§812] Explicit Satisfaction Clause.
 - (4) [§813] Rejection of Condition Terminates Contract.
 - (d) [§814] Event as Condition.
3. Conditions Concurrent.
 - (a) [§815] In General.
 - (b) [§816] Failure of Both Parties To Perform.
4. [§817] Conditions Subsequent.
5. Implied Conditions and Covenants.
 - (a) In General.
 - (1) [§818] Nature and Purpose.
 - (2) [§819] Strict Test.
 - (3) [§820] Liberal Test.
 - (4) [§821] Effect of Express Covenant.

CONTRACTS

- (b) Good Faith and Fair Dealing.
 - (1) In General.
 - (aa) [§822] Nature of Covenant.
 - (bb) [§823] Restatement 2d.
 - (cc) [§824] Breach.
 - (dd) [§825] Objectively Reasonable Conduct as Essence of Covenant.
 - (ee) [§826] No Implied Covenant To Negotiate in Good Faith.
 - (2) [§827] Building Contract.
 - (3) [§828] Real Estate Broker's Contract.
 - (4) [§829] Manufacturer's Exculpatory Clause.
 - (5) [§830] Obligation To Remain in Business.
 - (6) [§831] Lessor's Obligation To Keep Other Tenants.
 - (7) [§832] Other Examples.
 - (c) [§833] Reasonable Performance.
6. Implied (Constructive) Concurrent Conditions.
- (a) [§834] General Rule for Agreed Exchange.
 - (b) [§835] Exception: Performances Due at Different Times.
 - (c) [§836] Restatement 2d.
 - (d) [§837] Construction in Favor of Independent Covenant.
7. Failure of Consideration as Discharge of Duty.
- (a) [§838] Theory of Constructive Condition.
 - (b) Materiality of Failure of Consideration.
 - (1) [§839] In General.
 - (2) [§840] Delay in Performance.
 - (c) [§841] Prospective Failure of Consideration.
 - (d) [§842] Effect of Defendant's Prior Breach.

CONTRACTS

- (e) Substantial Performance.
 - (1) [§843] Nature of Doctrine.
 - (2) [§844] Illustrations.
- 8. Excuse of Conditions.
 - (a) [§845] Repudiation.
 - (b) Prevention of Satisfaction of Condition.
 - (1) [§846] General Rule.
 - (2) [§847] Illustrations.
 - (c) Waiver of Condition.
 - (1) [§848] General Rule.
 - (2) [§849] Illustrations.
 - (3) [§850] Retraction of Waiver.
 - (d) Condition Involving Forfeiture.
 - (1) [§851] Construction To Avoid.
 - (2) [§852] Excuse of Condition or Equitable Relief.

D. Impossibility, Impracticability, and Frustration of Purpose.

- 1. In General.
 - (a) [§853] Nature of Excuse and California Statutes.
 - (b) [§854] Restatement 2d.
 - (c) [§855] Subjective and Objective Impossibility.
 - (d) Complete Impossibility or Impracticability.
 - (1) [§856] Promisor's Duty Is Discharged.
 - (2) [§857] Promisee Is Excused.
 - (e) Temporary and Partial Impossibility.
 - (1) [§858] Suspension of Duty.
 - (2) [§859] Discharge of Duty.
 - (3) [§860] Apportionment of Performances.
 - (f) [§861] Provision Requiring Notice of Intent.
 - (g) [§862] Contract Provision To Shift Risk.

CONTRACTS

2. Events Constituting Impossibility or Impracticability.
 - (a) [§863] Death or Incapacity of Promisor.
 - (b) [§864] Operation of Law.
 - (c) [§865] Act of Public Enemy and War.
 - (d) [§866] Destruction or Nonexistence of Subject Matter.
 - (e) [§867] Extraordinary Difficulty and Expense.
3. Frustration of Purpose.
 - (a) [§868] Nature of Defense.
 - (b) [§869] Restatement 2d.
 - (c) Illustrations.
 - (1) [§870] Doctrine Applied.
 - (2) [§871] Defense Rejected.

XIV. BREACH

A. In General.

1. [§872] Nature of Breach.
2. [§873] Plaintiff's Freedom From Fault.

B. Kinds of Breach.

1. Nonperformance of Covenant.
 - (a) [§874] General Rule.
 - (b) [§875] Building Contract: Installment.
2. [§876] Prevention of Other Party's Performance.
3. [§877] Total and Partial Breach.

C. Effect of Breach.

1. Remedies for Breach.
 - (a) [§878] Available Remedies.
 - (b) [§879] Binding Election.
 - (c) [§880] Contract Provisions.

CONTRACTS

2. Waiver of Breach.
 - (a) [§881] Effect of Waiver.
 - (b) [§882] Acts Constituting Waiver.
3. [§883] Election To Treat Partial Breach as Total.
4. Breach of Severable Versus Entire Contract.
 - (a) [§884] Severable Contract.
 - (b) [§885] Entire Contract.

D. Anticipatory Breach.

1. [§886] Nature of Anticipatory Breach.
2. [§887] Effect of Anticipatory Breach.
3. Methods of Committing Anticipatory Breach.
 - (a) [§888] Express Repudiation.
 - (b) [§889] Implied Repudiation.
 - (c) [§890] Restatement 2d.
4. [§891] Retraction or Waiver of Repudiation.
5. Unilateral Contract Exception.
 - (a) [§892] Theory of Exception.
 - (b) [§893] Illustrations.

XV. DAMAGES

A. In General.

1. [§894] Nature of Remedy.
2. [§895] Causation.
3. Foreseeability.
 - (a) [§896] Rule of Hadley v. Baxendale.
 - (b) Illustrations.
 - (1) [§897] No Special Circumstances Shown.

CONTRACTS

(2) [§898] Special Circumstances Shown.

4. Reasonableness.
 - (a) [§899] Unconscionable or Oppressive Damages.
 - (b) [§900] Damages Exceeding Value of Performance.
5. Punitive Damages.
 - (a) [§901] No Award in Contract Case.
 - (b) [§902] Where Breach Is Also a Tort.
6. [§903] Nominal Damages.

B. Particular Elements of Recovery.

1. Loss of Profits or Benefits.
 - (a) [§904] Requirement of Certainty.
 - (b) Established and New Businesses.
 - (1) [§905] Giving Up Established Business.
 - (2) [§906] Future Profits From Existing Business.
 - (3) [§907] Future Profits From New Business.
2. [§908] Plaintiff's Expenditures.
3. Mental or Physical Suffering.
 - (a) [§909] Traditional Rule Against Recovery.
 - (b) Recovery Allowed.
 - (1) [§910] Physical Injury and Emotional Distress.
 - (2) Emotional Distress Is Likely Result.
 - (aa) [§911] Mishandling of Corpse.
 - (bb) [§912] Other Acts.
4. Interest.
 - (a) Where Interest Is Allowed.
 - (1) [§913] In General.
 - (2) [§914] Liquidated Sum Due.

CONTRACTS

- (3) Damages Ascertainable by Calculation.
 - (aa) [§915] In General.
 - (bb) [§916] Illustrations.
- (4) [§917] Defendant With Unliquidated Offset.
- (5) [§918] Dispute as to Title Does Not Prevent Assessment of Interest.
- (6) [§919] Procedural Matters.
- (b) Damages Not Ascertainable by Calculation.
 - (1) [§920] Traditional Rule of Denial.
 - (2) Discretionary Award.
 - (aa) [§921] In General.
 - (bb) [§922] Jury Cannot Decide Issue.
 - (c) [§923] Debtor Prevented by Law From Paying Debt.
 - (d) [§924] Rate of Interest.
- 5. [§925] Attorneys' Fees.

C. Particular Kinds of Contracts.

- 1. Sale of Land: Breach by Vendor.
 - (a) [§926] Former Limited Rule.
 - (b) [§927] Revised Statutes.
 - (c) [§928] Delay in Conveyance.
- 2. Sale of Land: Breach by Purchaser.
 - (a) Excess of Contract Price Over Market Value.
 - (1) [§929] Measure of Damages.
 - (2) [§930] Resale Price as Evidence.
 - (b) Consequential Damages.
 - (1) [§931] In General.
 - (2) [§932] Rental Value.
 - (3) [§933] Credit for Higher Resale Price.
 - (c) [§934] Retention of Downpayment.
- 3. [§935] Agreement To Give Quitclaim Deed.

CONTRACTS

4. [§936] Agreement To Pay Money.
5. Building Construction Contract.
 - (a) [§937] Breach by Contractor.
 - (b) [§938] Breach by Subcontractor.
 - (c) [§939] Breach by Owner.
6. [§940] Works of Improvement Contracts.
7. [§941] Actor's Contract for Publicity.
8. [§942] Franchise Agreement.
9. [§943] Stock Option Agreement.

D. Mitigating Damages.

1. [§944] In General.
2. [§945] No Recovery for Avoidable Loss.
3. Reasonable Effort To Avoid Loss Is Required.
 - (a) [§946] General Rule.
 - (b) Employee.
 - (1) [§947] Other Employment Must Be Comparable.
 - (2) [§948] Public Employees.
 - (3) [§949] Employer's Offer of Reinstatement.
4. After Repudiation or Anticipatory Breach.
 - (a) [§950] Duty To Mitigate.
 - (b) [§951] Exceptions.

E. Deduction for Benefits Received.

1. [§952] In General.
2. [§953] Distinction: Deduction for Tax Benefits.

XVI. DISCHARGE

A. [§954] Methods of Discharge.

B. Termination and Cancellation.

1. [§955] In General.
2. [§956] Rescission Distinguished.

C. Rescission by Mutual Consent.

1. [§957] Mutual Consent.
2. [§958] Written, Oral, or Manifested by Conduct.
3. [§959] Consideration.

D. Rescission by Injured Party.

1. Nature of Remedy.
 - (a) [§960] Equitable Action Abolished.
 - (b) [§961] Rescission by Party in Default.
 - (c) [§962] When Rescission Is Unnecessary.
 - (d) [§963] Executed Contract.
 - (e) [§964] Severable Contract.
2. [§965] Grounds for Rescission.
3. Nature and Scope of Relief.
 - (a) Alternative Remedies.
 - (1) [§966] In General.
 - (2) [§967] Restitution.
 - (b) [§968] Conditions for Rescission Relief.
4. [§969] Waiver of Right To Rescind.
5. Procedure.
 - (a) [§970] Notice of Rescission.
 - (b) [§971] Offer To Restore Consideration.

CONTRACTS

- (c) When Prior Restoration Is Unnecessary.
 - (1) [§972] In General.
 - (2) [§973] Specific Restitution Without Prior Offer.
- (d) [§974] Pleading as Notice or Offer.
- (e) [§975] Delay in Notice or Offer.
- (f) [§976] Effectuation of Rescission.

E. Release.

- 1. [§977] Validity and Effect.
- 2. General Release of Unknown Claims.
 - (a) [§978] Statutory Prohibition.
 - (b) [§979] Routine Waiver Is Invalid.
- 3. [§980] Release by Person Admitted to Medical Facility.

F. Accord and Satisfaction.

- 1. In General.
 - (a) [§981] Nature of Accord and Satisfaction.
 - (b) [§982] Effect of Accord.
- 2. Check Sent in Payment of Disputed Claim.
 - (a) Disputed Debt.
 - (1) [§983] In General.
 - (2) [§984] Sending Amount Due.
 - (3) [§985] Rule Unaffected by U.C.C. 1207.
 - (4) [§986] Distinction: No Debtor and Creditor Relationship.
 - (b) [§987] Good Faith and Assent.
 - (c) [§988] Retention of Check Without Cashing.
 - (d) [§989] Where Coerced Settlement Is Illegal.
- 3. Written Acceptance of Part Performance.
 - (a) [§990] Rule and Theory.
 - (b) [§991] Check Containing Written Release.

CONTRACTS

G. Novation.

1. [§992] Nature and Effect.
2. Requisites.
 - (a) [§993] In General.
 - (b) [§994] Intent and Assent.

H. Modification or Alteration.

1. [§995] In General.
2. [§996] Former Law on Oral Modification.
3. Revised Law.
 - (a) [§997] Purpose of Revision.
 - (b) [§998] Modification of Contract That Is Not in Writing.
 - (c) [§999] Modification of Written Contract.
 - (d) [§1000] Other Rules Are Unaffected.
4. Unauthorized Alteration.
 - (a) [§1001] Obligations Are Discharged.
 - (b) [§1002] Alterations Not Affecting Contract.

I. Account Stated.

1. [§1003] Nature and Effect.
2. [§1004] Requisites.
3. Agreement Implied.
 - (a) [§1005] Creditor's Statement and Debtor's Assent.
 - (b) [§1006] Debtor's Statement and Creditor's Assent.

XVII. GOVERNMENT CONTRACTS

A. In General.

1. [§1007] Scope and Treatment of Subject.

CONTRACTS

2. Public Contract Code.
 - (a) [§1008] In General.
 - (b) [§1009] Organization.
3. [§1010] State Contracts Register.
4. [§1011] Unauthorized Contract.
5. [§1012] Challenged Contract.
6. [§1013] Mutual Assent.
7. [§1014] Restriction on Use of Private Contractors.
8. [§1015] Civic Reporting Openness in Negotiations Efficiency Act.

B. Bids and Bidders.

1. [§1016] In General.
2. [§1017] Certification of Nondiscrimination.
3. [§1018] Seals and Security.
4. [§1019] Use of Negotiation Process.
5. [§1020] Skilled and Trained Workforce Requirements.
6. [§1021] Substantial or Excused Compliance.
7. [§1022] Damages Recoverable When Contract Is Improperly Awarded to Second Lowest Bidder.
8. [§1023] Unlicensed Bidders.
9. [§1024] Relief From Mistake in Bid.
10. [§1025] Miscellaneous Issues.

C. [§1026] Interpretation.

D. [§1027] Excuses for Nonperformance.

E. [§1028] Modification.

CONTRACTS

F. Disputes Clause.

1. [§1029] Federal Law.
2. [§1030] California Law.

G. Claims Resolution.

1. [§1031] In General.
2. [§1032] Procedure.

H. [§1033] Termination and Renegotiation.

I. Government's Liability.

1. [§1034] In General.
2. [§1035] Implied Warranty, Misrepresentation, or Concealment.
3. [§1036] Contractual Terms Limiting Liability.
4. [§1037] Abandonment Theory Is Not Applicable Against Public Entity.

J. [§1038] Miscellaneous Provisions.

XVIII. SURETY CONTRACTS

A. [§1039] In General.

B. [§1040] Rights of Sureties.

C. [§1041] Liability of Sureties.

D. [§1042] Right to Benefit of Securities.

E. [§1043] Exoneration of Sureties.

XIX. UNUSUAL TYPES OF CONTRACTS

A. [§1044] Organic Law of Association.

B. [§1045] Corporation Charter.

CONTRACTS

- C. **[§1046] Federal Grant.**
- D. **[§1047] Published University Regulations.**
- E. **[§1048] Unconfirmed Arbitration Award.**
- F. **[§1049] Regulated Forms.**

XX. QUASI-CONTRACTS AND RESTITUTION

A. In General.

- 1. [§1050] Nature of Restitution.
- 2. [§1051] Practical Distinctions.
- 3. [§1052] Restatement of Restitution and Unjust Enrichment.
- 4. [§1053] Unjust Enrichment Alone.

B. [§1054] Defenses to Quasi-Contract Actions.

C. Necessity of Benefit to Defendant.

- 1. [§1055] Benefit Is Ordinarily Required.
- 2. [§1056] Exceptions.

D. Benefits Voluntarily Conferred.

- 1. [§1057] General Rule.
- 2. [§1058] Exception: Performing Defendant's Duty.

E. Benefits Conferred Under Mistake or Fraud.

- 1. Payment of Money.
 - (a) [§1059] General Rule.
 - (b) [§1060] Mistaken Reconveyance of Deed of Trust.
 - (c) [§1061] Payment of Support Due to Mistaken Belief of Biological Fatherhood.
 - (d) [§1062] Satisfaction of Own Obligation.
 - (e) [§1063] Satisfaction of Invalid but Honest Claim.

CONTRACTS

(f) [§1064] Satisfaction of Third Person's Obligation.

(g) [§1065] Gambling Losses.

2. [§1066] Services Rendered.

F. Benefits Conferred Under Coercion.

1. [§1067] In General.

2. Legal Proceedings Without Probable Cause.

(a) [§1068] Suit or Threat of Suit.

(b) [§1069] Enforcement or Threatened Enforcement of Judgment.

3. [§1070] Other Cases Allowing Recovery.

4. [§1071] Cases Denying Recovery.

G. Services Performed at Request.

1. [§1072] Theory of Recovery.

2. [§1073] Intention To Compensate.

3. [§1074] Necessity of Benefit.

4. [§1075] Services to Third Person.

H. Waiver of Tort.

1. [§1076] In General.

2. [§1077] Where Tort Remedy Is Adequate.

I. [§1078] Restitution Where Contract Fails.