

PP21. Контракты и соглашения

PP21. Contracts and Agreements

REQUIREMENTS FOR A CONTRACT

Contracts are legally binding agreements, and they pervade almost every aspect of our personal and business lives. If you own or manage a business, you deal with contracts all the time in your relations with employees, contractors, vendors, commercial landlords, banks, utilities, insurance companies, and, of course, customers and clients.

What makes a contract special – and essential for business dealings – is that it is binding on the parties. If one party doesn't fulfill its obligations, the other party has legal remedies for any resulting damages.

To be enforceable by a court, every contract (whether written or oral) must meet several requirements:

Consideration. As Cole Porter wrote in the song, *True Love*, "You give to me and I give to you." That sums up consideration. Each party has to promise or provide something of value to the other. Without this exchange, there is no contract.

Offer and acceptance. There must be a clear or definite offer to contract ("Do you want to buy this?") and an unqualified acceptance ("Yes!").

Legal purpose. The purpose of the agreement must not violate the law. For example, you won't be able to enforce a loan agreement that charges interest in excess of what is allowed by law or a service agreement to hire someone to rob a bank or kill your mother-in-law.

Capable parties. To be "capable" of making a contract, the parties must understand what they're doing. For example, there is a presumption that minors and insane people usually don't know what they're doing and, for that reason, contracts they enter into won't be enforced under certain circumstances.

Mutual assent. This is also sometimes referred to as a "meeting of the minds." The contracting parties must intend to be bound by their agreement and must agree on the essential terms.

In addition to these general rules, laws may impose more requirements on particular types of contracts. For example, certain consumer contracts must meet additional requirements, and some contracts must be in writing.

Study the following words and phrases.

contract	контракт, договор
binding agreement	соглашение, имеющее обязательную силу
enforceable	имеющий законную силу, юридически исполнимый
obligations	обязательства
legal remedies	средства правовой защиты
damages	ущерб, убытка, потери
consideration	возмещение
offer and acceptance	оферта и акцепта
party to a contract, contracting party	сторона договора
mutual assent	взаимное согласие

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Read an extract from a contract between a supplier and a customer.

CONTRACT AGREEMENT	
Supplier: The Office Furniture Company	
Customer: National Bank, London	
1. Definition of Terms:	
a. "Products" refers to all those items listed on the price listing spread sheet and any item supplied by The Office Furniture Company hereinafter.	
b. "Supplier" refers to The Office Furniture Company.	
c. "Buyer" refers to National Bank, London.	
d. "Stock" refers to the items purchased by the buyer.	
2. Duration of the Contract	
a) The Contract enters into effect on the date it is signed by each party and has a fixed term ending on December 31 st 2020. This contract may be altered at any time by the supplier to suit availability of product and shipment.	
b) The contract can be terminated at any time by the supplier and any deal made heretofore become null and void, at no extra cost of the supplier. The supplier is not liable to pay any compensation to the buyer.	
3. Delivery	
a) Once the stock has left the supplier's warehouse, the supplier relinquishes responsibility hereinafter and the buyer assumes full responsibility of the stock and is liable to pay for any damage caused during the loading, transportation and unloading processes. Any damage to the products cannot be held accountable in behalf of the supplier.	
b) One condition is that the supplier must receive payment in full before any items can be dispatched. If supplier has not received the payment in full, the supplier is permitted to hold the items in their warehouse without release.	
4. Price	
a) The price agreement between the two parties, supplier and buyer, is fixed for 6 months and hereinafter renegotiated by the supplier and the buyer agrees to pay any additional costs proposed by the supplier.	
b) The purchase price for the relevant office furniture delivered is to be paid net within 1 day from the date of invoice for the delivery.	

Study the following words and phrases.

supplier	поставщик
buyer	покупатель
stock	здесь товар
duration of the contract	срок действия договора
enter into effect	вступить в силу
terminate	закончить, приостановить действие
shipment	отгрузка, доставка
be liable for smth., to do smth.	нести ответственность за что-либо
pay net price	цена нетто, чистая цена (не включающая скидки и дополнительные расходы)
invoice	счёт-фактура

Answer the questions:

- What is the subject of this agreement?
- What are the main terms of the contract?
- In your opinion, is this contract supplier-friendly or customer-friendly? Prove your point of view with the words from the contract.
- How would you change this contract if you were the customer?