

Is This Contract Valid?

Negotiating your way through the maze of contract law

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Have you ever considered suing someone for not holding up their end of a bargain? Or were you the one being sued? Whether you're in business or not, you probably encounter contracts almost every day. However, few people understand what it takes to make a contract valid.

A contract is basically an agreement to do or not to do something. Saying a contract is valid means it's legally binding and enforceable. The point of a contract is to clearly outline an agreement so the "object" is accomplished while preventing disputes or litigation. Any lawyer will tell you that a lawsuit is a very inefficient and expensive way to resolve contract disputes, and it also means you lose control over the issue being disputed since a judge or jury will be making the decisions instead.

It's important to know not all certain agreements can be oral way, a contract must include the contracting, consent of the parties, and consideration.

Anyone can enter into a contract, people of unsound mind. The are; usually names are sufficient, may be used. In sales to names, "seller" and "buyer" are sometimes used to further describe the parties.

SUMMARIZE THE
MAIN POINTS OF
THE ARTICLE IN 10
BULLET POINTS.

contracts have to be in writing; and still be legally enforceable. Either following: parties capable of offer and acceptance, a lawful object,

except minors, certain felons and contract must identify who the parties but sometimes addresses or titles agreements, for example, in addition

A valid contract also requires the parties' consent, which must be free, mutual and communicated to each other. Consent is not free when obtained through duress, menace, fraud, undue influence or mistake. Books have been written about the complexities of those factors. Obviously, a person who signs a contract because there's a gun pointed at his head hasn't consented to the agreement and can rescind it. All cases, of course, are not that clear-cut, and the law must applied to each individual case.

Also, consent isn't mutual unless the parties agree on the same thing in the same sense. This is often referred to as a "meeting of the minds." Generally, there's an offer and an acceptance communicated by the parties.

The thing being agreed to is also known as the object or subject. It must be lawful, possible and definite. A court, for example, will not enforce a contract to perform an illegal act. Drug deals often go wrong, but a person who pays for drugs that aren't delivered can't seek the help of a court in getting the money back.

All contracts require consideration, meaning each party must gain something. It may be something that is or isn't done or given. When a party agrees to do something (paint your house) or to not do something (not sell their house to anyone else for 30 days) they must gain something. Generally, if I say I'll paint your house, and you haven't promised me anything in return, you can't sue me for not showing up because I haven't received any consideration. Volumes have been written about this aspect of contracts as well.

Certain contracts aren't valid unless in writing. Generally, they deal with real property, certain debts, money exceeding a certain amount, or objects that won't be performed within one year or within the promisor's lifetime. Naturally, the exceptions can be as broad as the rules. When the agreement doesn't have to be in writing, all the other elements of a valid contract still have to be fulfilled. The bottom line is that while parties generally come to transactions in good faith, a well written contract is the best protection should a dispute arise.