CONTRACT BASICS

A contract is an agreement between two or more parties to either carry out or abstain from an action in the present or future, which is legally binding.

If a contract is established and one party fails to uphold their end of the bargain, the other party can take legal action to enforce the agreement. Contracts oblige the involved parties to fulfill the commitments they made within the agreement, a crucial element in the business realm. Businesses rely on contracted entities to deliver as promised.

- The contract's purpose must be lawful and not infringe on public policy.
- Both parties must be capable of entering into a contract, understanding its binding nature. Minors may lack this ability.
- Mutual agreement and intention to be bound by the contract are necessary, along with consensus on essential terms.

Before signing a contract, make sure you understand the terms. Understand your obligations in exchange for payment or sponsorship. Familiarize yourself with the contract's beginning and ending dates.