



UNDERSTANDING BUSINESS CONTRACTS

Whether you are a veteran of the corporate world or just starting your first business, you need to be aware of the importance of business contracts. These legally binding agreements are involved in just about every facet of your company and can carry extreme consequences if not drafted correctly or followed to the letter.

These are just a few of the business contracts you may encounter:

- Employee wages
- Vendor-retailer agreements
- Warranties or guarantees with customers
- Insurance company coverage
- Utility payments
- Bank loans and liens

TYPICAL REQUIREMENTS IN A CONTRACT

Even though there are numerous types of contracts and countless ways to use them, each contract is as unique as the parties involved. However, there are a few basic concepts, commonly known as contract requirements, that need to be addressed in every contract.

- **Considerations:** Each parties promise to exchange one service or item for another – for example, a customer gives you money for a product.
- **Clear acceptance:** No surprise agreements; everyone involved must be aware of the contract being formed. This may be an issue for unwritten (oral) contracts.
- **Purpose:** The goal of the contract must be realistic and legal. You cannot create a contract to commit a crime, for example.
- **Capability:** Any parties involved must actually be capable of fulfilling their considerations. You should not expect a contract for a frail elder to hike a mountain to be valid.
- **Mutual workings:** Named parties in the contract must have honest and full intents to be bound by the contract as it is described.

A contract that is missing any one of these aspects might run the risk of being deemed unenforceable under the law.



PREPARATION IS KEY IN ALL BUSINESS CONTRACTS

Success matters when outlining, discussing, and signing business contracts, and our highly experienced business law attorneys are well versed in negotiating contracts and giving you the legal counsel you need to achieve success for your business.

We are ready to sort out the details and help you create a workable, agreeable contract between you and any interested or relevant parties. We can even be there for you if you find yourself in the middle of a [breach of contract](#) case. Whatever your needs may be, we would be happy to discuss them during an [initial consultation](#).

Established in 2001, The Vaughn Law Offices have been providing legal assistance to businesses with a sharp focus on complex laws, including those centered on [commercial litigation](#).

When success matters, contact us at 303-586-5905 and tell us what you need.