

Contract Elements

Essential Elements of a Contract

A contract is an agreement – written or spoken – usually made upon sales, employment, or leasing, which is enforced by law. According to Blokhina Gilkis (2019), there are several elements making an agreement a legally enforceable document. These include a mutual agreement delineated by an offer from the one side and acceptance from the other; the act of consideration; the capacity of a person; and legality of purpose. However, it is acceptable to have the elements substituted by valid equivalents depending on the state.

Contracts have to start with an offer, which expresses one’s willingness to negotiate a contract under particular terms. In its turn, acceptance by the other party is an agreement to all of the contract’s terms. Acceptance has to be unequivocally expressed to the person who makes the offer (“Elements of a contract,” n.d.). Furthermore, consideration is merely each parties’ act of exchanging valuable assets to their detriment with provided consideration from both of them. When it comes to capacity and legality, it seems reasonable to turn to the laws of the state of Texas in order to explore the statutory requirements.

Enforcing Contracts in the State of Texas

First of all, it is to be noted that Texan laws do not substantially differ from those stated above. “A Guide to Texas Law” (n.d.) enumerates offer, acceptance, and consideration as essential elements of a contract and then proceeds to name defenses to contract, among which are the legality of the act and capacity of the parties. The comment on legality points out that even if two people have exchanged offer and acceptance and provided their consideration, but the contract’s subject matter is illegal, the contract’s validity is infringed, and, therefore, the contract is non-existent. The paragraph on the capacity of the parties explains that all of them have to be competent in order to make a legal agreement – usually, not underage, mentally disabled, or inebriated. Other defenses to

contract, according to “A Guide to Texas Law” (n.d.), include mistake, duress, and fraud.

Additionally, one more peculiarity is stated on the Houston Bar Association website. According to Houston Bar Association (2020), a contract does not have to be in writing – however, it is recommended to be since there are particular types of contracts that are required to be in written form to be enforced. One never knows, so it is advisable to write everything down to be on the safe side.

A Sample Contract

Attached as an Addendum is a sample contract for the sale of \$10,000 worth of products by Shine Hair Company to Naomi Santana, a customer. The following explains the specific sentences of this contract that satisfy the elements of the contract in the state of Texas.

An Agreement for the Sale of Goods

1. Sale of Goods

The Seller will sell, transfer, and deliver to the Buyer the following goods on or before the 13th day of December 2021.

- Makes: Wigs
- Model: Wavy, Curly
- Year: 2018, 2019, 2020
- Color: Darkest Brown, Dark Brown, Lavender, Red Velvet, Sea Blue.

2. Purchase Price

The Buyer will accept the Goods and pay for the Goods with the sum of \$10,000 (USD), paid by check as required by Clause 3 of this Agreement.

3. Payment

The Buyer will make payment for the Goods when and where the Goods are received by the Buyer.

General Provisions

4. This agreement cannot be modified in any way except in writing signed by all the parties of this agreement.
5. This agreement will be governed by and construed in accordance with the laws of the State of Texas.

| Contract Element | Matching Sentence from Sample Contract |
|---------------------|--|
| Offer | Clause 1 |
| Acceptance | Clause 2 |
| Consideration | Clause 3 |
| Capacity & Legality | Clauses 4 & 5 |

Conclusion

It is evident that arranging a legal agreement is by no means an easy task. People might find themselves struggling with an abundance of rules to follow. However, if one takes time to examine the process of composing an enforceable contract and understanding how it works, it should not present a great difficulty. It is always a better idea to take extra time preparing a contract than having to deal with the consequences of an unprofessionally composed one.

References

Blokhina Gilkis, K. (2019). *Contract*. Legal Information Institute.

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