

Contract Basics
San Francisco Foundation
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A. What is a contract?

1. Offer and acceptance -- one party makes an offer that is accepted by the other.
2. Consideration – in order to avoid an illusory contract both parties must benefit.

B. Why a written contract?

1. Making sure that there really is a “meeting of the minds.”
2. Enforceability issues.

C. Terms to include

1. Parties

2. Duties and obligations of the parties

(a) Services to be rendered or material to be delivered

(b) Payment

3. Time of performance

4. Damages for failure to perform

5. Ownership of results of contract or services

(a) Work for hire clause

(b) Employee vs. independent contractor

6. Dispute resolution terms

(a) Attorneys' fees clause

(b) Mediation

(c) Arbitration