



Alison Mullins with Rees Broome, PC

The Ties That Bind (Part 1)

Step 1: Contract Basics

We all use the term “contract” frequently – both in our professional and personal lives.

Yet, how many of us actually know what it means legally? This article will provide you with some basic knowledge regarding the law of contracts in the District of Columbia.

The Law

The term “contract” is generally defined as an agreement between two or more parties to do, or not to do, something. In order for a court to find there is a contract, it will look for three elements. First, there must be a “meeting of the minds” as to the material terms and conditions of the agreement. Second, there must be evidence that all parties agreed to be bound by the agreement. Third, the court must find that the agreement is supported by consideration. If all three elements are found, there is a contract, which is legally binding.

The Translation

Applying the above principles to you, we will look specifically at an example of the formation of a written contract. The first element, a “meeting of the minds,” is ordinarily satisfied by an architect’s offer to provide services and an owner’s acceptance of that offer. This offer and acceptance, and resulting agreement are often reflected in a written document. The signatures on the written document are evidence of the fact that both parties agreed to be bound by the terms of the agreement, satisfying the second element.

Finally, consideration is established by each party to an agreement giving something of value to the other party. The value the architect provides in a contract is its services and designs. The owner adds value by making payment to the architect for those services and designs. Therefore, consideration is present and the third element is met. A contract exists.

Conclusion

While the above information is basic and may not seem groundbreaking to you, it provides a solid foundation for establishing an understanding of contracts. It is important to note that the above is just one example of the most commonly recognized ways a

contract is formed in the architectural industry. The law recognizes additional ways that parties can enter into legally binding agreements – such as through unsigned written contracts or oral contracts. These other avenues through which a contract can be formed will be discussed in next month’s article.

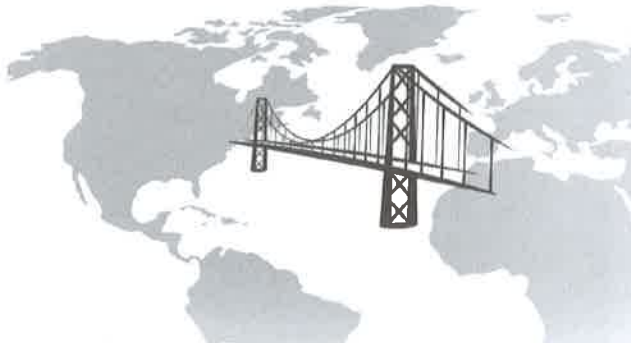
Until then...Keep in mind, no matter what the form of the agreement is, all three above elements must be met in order to form a contract recognized by the laws of the District of Columbia.

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This article is not intended to provide specific legal advice, but instead as general commentary regarding legal matters. You should consult with an attorney regarding your legal issues, as the advice you may receive will depend upon your facts and the laws of your jurisdiction.

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