Lesson
1

WORDS TO LEARN

abide by
agreement
assurance
cancellation
determine
engage
establish
obligate
party
provision
resolve
specific

Contracts

Study the following definitions and examples.

1. **abide by** v., to comply with; to conform
   a. The two parties agreed to abide by the judge's decision.
   b. For years he has abided by a commitment to annual employee raises.
2. **agreement** n., a mutual arrangement, a contract
   a. The landlord and tenant were in agreement that the rent should be prorated to the middle of the month.
   b. According to the agreement, the caterer will also supply the flowers for the event.
3. **assurance** n., a guarantee; confidence
   a. The sales associate gave his assurance that the missing keyboard would be replaced the next day.
   b. Her self-assurance made it easy to see why she was in charge of the negotiations.
4. **cancellation** n., annulment; stopping
   a. The cancellation of her flight caused her problems for the rest of the week.
   b. The cancellation clause appears at the back of the contract.
5. **determine** v., to find out; to influence
   a. After reading the contract, I was still unable to determine if our company was liable for back wages.
   b. The skill of the union bargainers will determine whether the automotive plant will open next week.
6. **engage** v., participate; involve
   a. Before engaging in a new business, it is important to do thorough research.
   b. He engaged us in a fascinating discussion about current business law.
7. **establish** v., to institute permanently; to bring about
   a. Through her many books and interviews, Dr. Wan established herself as an authority on conflict resolution.
   b. The merger of the two companies established a powerful new corporation.
8. **obligate** v., to bind legally or morally
   a. The contractor was obligated by the contract to work 40 hours a week.
   b. I felt obligated to finish the project even though I could have exercised my option to quit.
9. **party** n., a person or group participating in an action or plan; the persons or sides concerned in a legal matter
   a. The parties agreed to a settlement in their contract dispute.
   b. The party that prepares the contract has a distinct advantage.
10. **provision** n., a measure taken beforehand; a stipulation
    a. The father made provisions for his children through his will.
    b. The contract contains a provision to deal with how payments are made if John loses his job.
11. **resolve** v., to deal with successfully; to declare; n., conviction
    a. The mediator was able to resolve the problem to everyone's satisfaction.
    b. The businessman resolved to clean out all the files by the end of the week.
12. **specific** adj., particular
    a. The customer's specific complaint was not addressed in his e-mail.
    b. In a contract, one specific word can change the meaning dramatically.

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WORDS IN CONTEXT

Read the following passage and write the words in the blanks below.

abide by	cancel	establishment	provide
agreement	determine	obligates	resolve
assurance	engaging	parties	specifies

Contracts are an integral part of the workplace. In simple terms, contracts are an (1) _____ between two or more (2) _____ that (3) _____ terms and (4) _____ the parties to follow them. Contracts often include the amount that a client will pay contractors and what services will be provided. For example, in your office, you may have a contract that provides (5) _____ that your copier machine or phones will be repaired within a certain amount of time. This service can either be done off-site or at your (6) _____. A contract often states ways to (7) _____ if quality of work delivered is acceptable. Well-written contracts usually (8) _____ ways to (9) _____ problems like these when they happen. Before (10) _____ in a contract, both parties should think carefully, as they will have to (11) _____ the conditions specified in it. A contract usually specifies how the two parties can (12) _____ it if either party fails to meet the terms.

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WORD FAMILIES

verb	agree	If both parties agree to the terms, we can finalize the contract.
noun	agreement	As soon as the labor agreement was signed, the factory resumed production of new cars and vans.
adjective	agreeable	The parties are agreeable to the terms.

verb	assure	I assure you that our drug-testing policy is applied fairly.
noun	assurance	What assurance is there that the company will still be in business?
adverb	assuredly	He spoke assuredly, but his follow-up memo showed less conviction.

verb	cancel	The man canceled his magazine subscription and got his money back.
noun	cancellation	Writers usually receive a cancellation fee even if their articles are not published.
adjective	canceled	The canceled concert ended up costing our agency millions.

verb	obligate	The terms of the contracts obligate us to work for at least one more month.
noun	obligation	The factory managers have a legal and moral obligation to provide a safe work site.
adjective	obligatory	He finished his obligatory military service, and then joined his father on the orange farm.

verb	provide	Since the machine is very reliable, why don't we cancel the service contract they provided?
noun	provider	We must negotiate a new contract with our Internet service provider.
noun	provision	The provision for canceling the contract is in the last clause.

verb	specify	The contract specifies the percentage of raise the workers will see next year.
noun	specification	The work was done according to our specifications.
adjective	specific	We have not chosen a specific location for the reunion.

LIVEWORKSHEETS

WORD PRACTICE

LISTENING COMPREHENSION

CD1
Track 1

Part 1 Photo

Look at the picture and listen to the sentences. Choose the sentence that best describes the picture.



1. Ⓐ Ⓑ Ⓒ Ⓓ

Part 2 Question—Response

Listen to the question and the three responses. Choose the response that best answers the question.

2. Ⓐ Ⓑ Ⓒ

3. Ⓐ Ⓑ Ⓒ

Part 3 Conversation

Listen to the dialogue. Then read each question and choose the best answer.

4. What problem do the speakers have with the computer company?
   (A) It won't renew the contract.
   (B) It can't repair the computer.
   (C) It sends incorrect bills.
   (D) It charges them for extra spare parts.

5. When will the contract run out?
   (A) In two months.
   (B) In nine months.
   (C) In one year.
   (D) In four years.

6. What does the woman suggest doing?
   (A) Asking the company to write a new contract.
   (B) Canceling the contract.
   (C) Renewing the contract.
   (D) Waiting until the contract runs out.

Part 4 Talk

Listen to the talk. Then read each question and choose the best answer.

7. Who is talking?
   (A) A lawyer.
   (B) An upset signer of the contract.
   (C) A secretary.
   (D) Someone who has canceled his agreement.

8. Which part of the contract are they looking at?
   (A) A cancellation clause.
   (B) The assurance of quality.
   (C) The agreement on payment.
   (D) A provision in case of bankruptcy.

9. When can the parties sign the contract?
   (A) In two days.
   (B) At the end of the week.
   (C) Next week.
   (D) In thirty days.

LIVEWORKSHEETS

READING

Part 5 Incomplete Sentences

Choose the word that best completes the sentence.

10. The two sides were no closer to a final ____ at midnight than they were at noon.
    (A) agreement (C) agree
    (B) agreeable (D) agreed

11. Our union representative _____ members that our rights would be defended.
    (A) assured (C) assuredly
    (B) assurance (D) assure

12. If you _____ your reservation 48 hours in advance, you will not be billed.
    (A) will cancel (C) cancellation
    (B) cancel (D) canceled

13. I don't feel any _____ to give my boss more than two weeks notice when I leave.
    (A) oblige (C) obliged
    (B) obligatory (D) obligation

14. The _____ for terminating the contract were not discussed.
    (A) provide (C) provider
    (B) provisions (D) provisioning

15. The contract calls for the union to ____ who their bargaining representative will be.
    (A) specific (C) specifying
    (B) specification (D) specify

Part 6 Text Completion

Choose the word or phrase that best completes the sentence.

Rental Property for Everyone

More and more people are investing in rental property these days. Whether you have a small apartment in your house to rent, or decide to invest in an apartment or office building, rental property can provide extra income for you and your family. What does every landlord need to know?

Leases

A lease is an __16__ between a landlord and a tenant. Standard leases are available at most office supply stores, and many property owners find them quite satisfactory. Read the standard lease carefully to determine if it meets the needs of your situation. You may want to make some additional __17__. You may want to add a pet clause, for example, or make different specifications pertaining to the security deposit. If you decide to make changes to the standard lease, you should meet with a lawyer. The lease is the most important tool you have if you need to resolve a dispute with your tenant. When you have a lease written by a lawyer, you __18__ that you have the protection you need.

16. (A) agree
    (B) agreed
    (C) agreeable
    (D) agreement

17. (A) provision
    (B) provisions
    (C) provider
    (D) providers

18. (A) assure
    (B) will assure
    (C) are assuring
    (D) are assured

LIVEWORKSHEETS

Part 7 Reading Comprehension

Questions 19–23 refer to the following letter and form.

Santos Office Cleaners
112 Main St.
Windsor, Ontario

December 15, 20—

Mr. James Harrison
17 Hartland Road
Windsor, Ontario

Dear Mr. Harrison,

We are very sorry that you have decided to cancel your cleaning service contract with us. In order to assure that we provide our customers with the best possible service, we always try to determine the reasons for contract cancellations. Please take a few minutes to fill out the enclosed form. This is for our information only; completing the form does not obligate you to buy any product or enter into any new agreement with our company. We appreciate your cooperation. If at any time in the future you decide to renew your contract with us, please don't hesitate to contact me.

Sincerely,
Rosa Santos
Rosa Santos
Owner

Santos Office Cleaners
Customer Questionnaire

Date contract signed: March 23, 20—

Type of facility:
☒ single office
☐ office building
☐ private home
☐ other

Frequency of service:
☐ daily
☒ weekly
☐ monthly
☐ other

Reason for contract cancellation (choose one):
☐ no longer need service
☐ signed contract with a different company
☒ payment dispute not satisfactorily resolved
☐ specific complaint not resolved
☐ other

Comments: I was always satisfied with the service provided by your employees. However, I am frustrated by your inability to resolve the payment issues.

19. What is the purpose of the letter?
    (A) To find out why Mr. Harrison no longer wants this service.
    (B) To ask Mr. Harrison to renew his contract.
    (C) To advertise new services provided by the company.
    (D) To offer the customer a better contract.

20. What is Ms. Santos's business?
    (A) Customer relations.
    (B) Cleaning service.
    (C) Contract review.
    (D) Conflict resolution.

21. Why did this customer cancel the contract?
    (A) The company damaged something in his office.
    (B) The employees provided unsatisfactory service.
    (C) He had a disagreement about his bill.
    (D) He doesn't want this type of service anymore.

22. The word *assure* in letter one, line 2, is closest in meaning to
    (A) guarantee.
    (B) discover.
    (C) prove.
    (D) advertise.

23. The word *specific* in form two, line 15, is closest in meaning to
    (A) personal.
    (B) important.
    (C) repeated.
    (D) particular.

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