

Complete the text with these words!

appendix

binding

fulfill

parties

sue

terms

A contract is a legal agreement between two or more _____¹ (people or groups). Every contract contains different _____² (conditions) which state what each side must do. If the contract is in a written form, and somebody signs it, then usually that person must _____³ (meet) all the conditions, even if he or she has not read the full agreement. We can also say that the conditions are now _____⁴ (cannot be broken). If someone breaks the contract, for example if a person refuses to pay after receiving a service, the other person may decide to _____⁵ (take legal action) in a court of law. Sometimes, the parties may want to include some extra conditions in a contract after it has been signed. They can do this by adding an _____⁶ (extra section).

Match the type of contract to the definition

1. a lease	a. a contract between an insurance company and a person who pays for the insurance
2. an employment contract	b. a legal contract in which a bank agrees to loan a customer a certain amount of money for a specified amount of time
3. a contract of sale	c. a contract which allows one party (the tenant) to use the land or property of the other party (the landlord) for a specified period of time
4. an insurance policy	d. a contract between a seller (or vendor) and a buyer (or purchaser)
5. a software license	e. a contract between an employer and an employee
6. a credit agreement	f. a contract which allows someone to use a computer program

Listen to four conversations.

What type of contract from the previous exercise are they talking about?



a lease

an insurance policy

1. Conversation 1 → _____

an employment contract

2. Conversation 2 → _____

a software license

3. Conversation 3 → _____

a contract of sale

4. Conversation 4 → _____

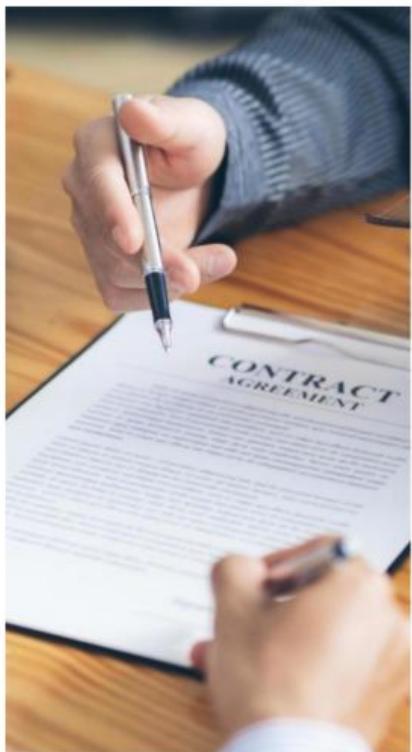
a credit agreement

Complete the sentences with words from the conversation

1. I asked my secretary to _____ your contract and send it to you by email.
2. So come into my office so we can _____ it.
3. Just one question: what happens if I _____ the contract?
4. And do I have to _____ the contract every year?
5. Can we _____ the contract early?
6. The owner of the building wants to _____ the contract for another ten years!
7. So we might have to _____ the contract – or pay a heavy fine.

- a.** sign a new contract (when the previous contract has finished)
- b.** prepare/write a contract
- c.** fulfill all the terms of the contract
- d.** put your signature on a contract to show that you agree to it
- e.** make a contract continue for a longer time
- f.** end a contract before the official end date
- g.** break one or more of the terms of the contract

Find someone who...



- has recently signed a contract.
- has an insurance policy.
- has breached a contract.
- is planning on renewing their lease.
- would like to change their employment contract.
- is responsible for drawing up contracts.
- pays for a software license every month.
- has terminated a contract before its end.