

Negotiations

What is a negotiation?

Example: Student vs. Parent

A student was asked to do a chore earlier in the day. In the evening, the student asked to go out and the parent told them they can't because the chore was not completed. The student asks, "If I get the chore done first, then am I allowed to go out?" and the parent agrees.

Example: Student vs. Parent

1. Did both parties get something they wanted?
2. What might have happened if the student refused to do the chore?
3. What about if the parent refused to let them go out, or offered another incentive?
4. What are some other examples of times negotiations take place?

Contracts

When might someone have to sign a contract?

Terms:

You will be given a term to learn and explain (in your own words) to the rest of the class.

Elements of a Contract:

Offer: proposal to do something -clearly stated, defining the terms and details. -offers can be withdrawn any time before they are accepted. -offeror makes the offer and offeree accepts it.

Acceptance: the offer, exactly as proposed, must be understood and accepted. If the accepting party wants to make changes/new terms, then this is a counter offer.

Consideration: something of value given in exchange for the terms of the offer (ex: money)

Capacity: having the capacity to enter a contract means that a person is legally competent to accept. -of sound mind (not a minor, mentally disabled, or intoxicated)

Consent: A contract is not valid or legally binding unless consent is given (both parties mutually agree to form a contract freely, not under pressure.)

Lawful Purpose: A contract must not include any violation of the Criminal Code of Canada.

Identify the Parts of the Contract:

Bill decides that he wants to learn to play the guitar. He's not good with instruments, so he wants someone to teach him. He's also low on cash, so he's hoping to get guitar lessons in exchange for a service. He puts signs up all around town that say:

"Wanted: Guitar Lessons. Beginning guitar student will mow your lawn in exchange for lessons. Prefer experienced teacher. Call Bill 555-5555."

Jessie sees Bill's ad. She teaches guitar lessons to a few other students as well. She is currently paying a lawn service to mow her lawn and thinks this arrangement sounds like a good plan- she could drop the lawn service. She calls Bill and says, "sounds like a good plan. I'm in. Let's start on Monday at 5pm."

Offer? Acceptance? Consideration? Capacity? Consent? Lawful?

Is this contract oral or written?

Is this contract enforceable? (Has all the required parts)

Do you see any potential problems with this contract?

Creating a Contract-What to Include

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Parties to the Contract

-legal names and addresses of all parties involved. -this may include a co-signer

Scope

Clear, detailed description of goods/services. Due dates are also included in this section. (This is a one-two sentence summary of what the loan includes.)

Prices and Payment Terms

-everything related to payment (amount, when payment is due, length of time purchaser has to pay, interest charges for late payments, etc.)

Responsibilities

-expectations of each party -anticipate what could go wrong and plan for the consequences (ex: what if a deadline is missed due to weather delays?)

Terms and Conditions

-terms for terminating the contract -companies might include "company is not liable if...." here.

Signatures

-signatures of both parties and dates

Terminating a Contract

Termination by Performance: the contract runs its course and comes to a natural end.

-all obligations have been fulfilled or the fixed time is over.

Termination by Agreement: the parties agree to end the contract, with another contract.

All parties involved negotiate and agree to terminate the contract.

Termination by Breach of Contract: when one party does not deliver what was promised in the contract

-failure to perform a duty or perform it in the manner outlined in the contract.

Termination by Impossibility of Performance: circumstances change

-change in circumstance that makes it impossible to follow through with the obligations. -for example, a contract to rent a hall for a wedding would be terminated when the hall is destroyed by a fire.

Examples of Contracts:

Treaties: promises in exchange for the majority of their land for settlers/expansion. 11 treaties were signed, not all First Nations signed treaties.

Financial Contracts

[BankAccountAuthorizationExample.pdf](#)

[PersonalLoanContractExample.pdf](#)

Warranty: a promise to repair or replace a product within an amount of time after purchase.

[KramerLimitedWarrantyExample.pdf](#)

Subscription: advance payment to access for amount of time - most ask to sign a contract or agree to terms and conditions (that usually include automatic billing until cancelled)

[NetflixTermsOfUseExample.pdf](#)

Cell Phone Plan: contract between you and your cell phone provider

[TelusCellularPhoneContractExample.pdf](#)

Employment Agreement: agreement between employer and employee

[NonCompeteContractExample.pdf](#)

[DJContractExample.pdf](#)

Collective Bargaining Agreement: agreement between individual and union

Lease: examples building, land, vehicle, machinery

Insurance:

guarantee of financial protection in return of paying insurance premium. ex: car, health, life

Credit: borrow now and promise to pay back later (often with interest) examples: loan, line of credit, credit card

[RBCCreditCardAgreementExample.pdf](#)



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