

The slide features a green background on the left side. A white rounded rectangle is positioned in the upper left, containing the title text. A dark blue horizontal bar with rounded ends is located in the lower right area.

## Becoming Familiar with Contracts

# What is the definition of a contract?

- According to Webster's - a binding agreement between two or more persons or parties; *especially* : one legally enforceable

# What are the main types and purposes of a contract?

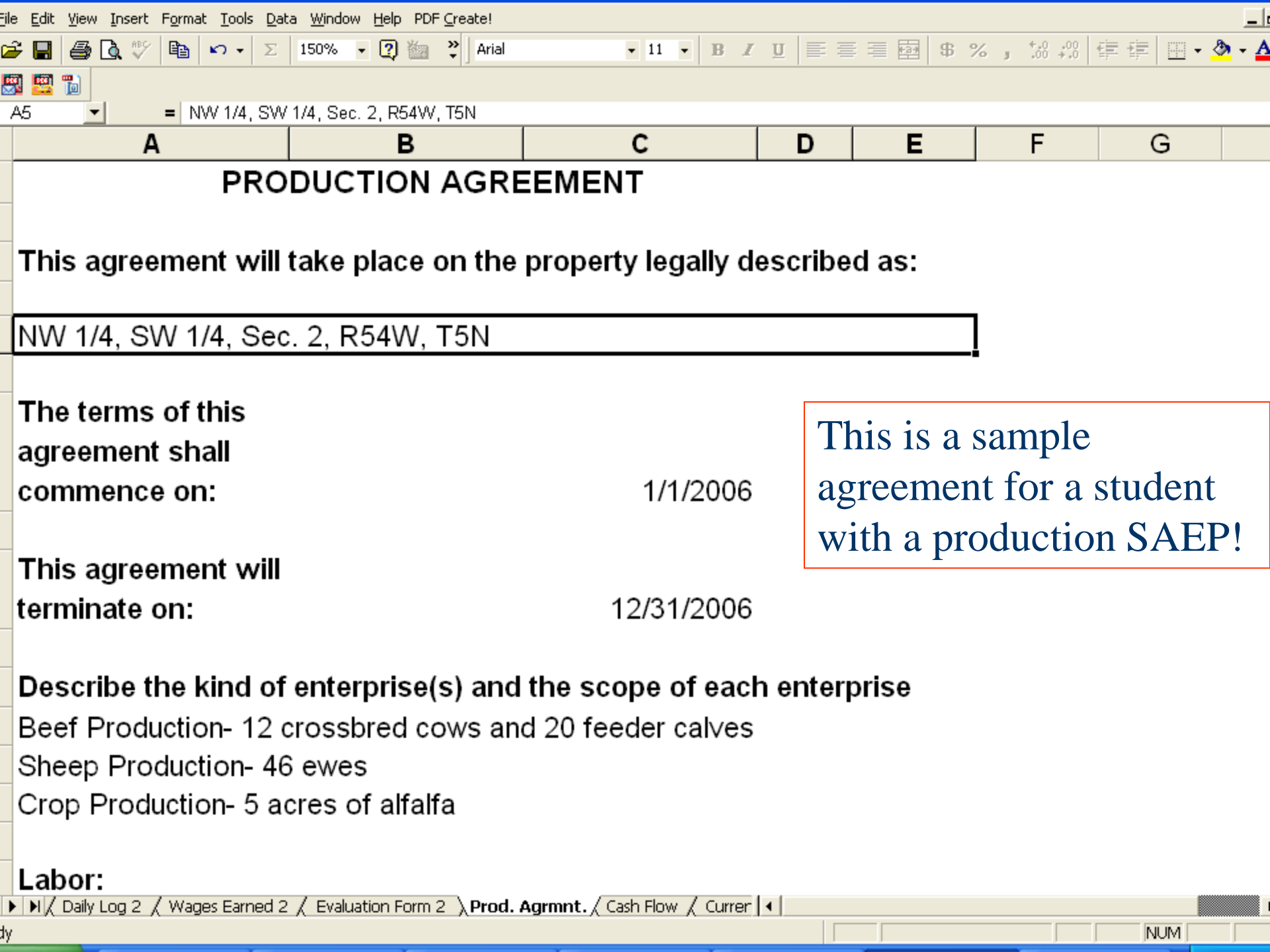
- Written (usually formal agreements)  
Examples include real estate purchases, loans, cell phone agreements, SAEP agreements.
- Verbal (usually informal agreements)  
Examples include deals made through a “handshake” or bartering systems.

# What are the main purposes of a contract?

- Purposes
  1. Protect both parties
  2. Maintain integrity
  3. Expectations for both parties
  4. Legal recourse

# What is included in a contract?

1. Who – what individuals or groups are involved?
2. What – what is the contract for? Services, loan, land, real estate.
3. When – what period does the contract cover? One time, daily, weekly.
4. Escape clause – what does either party need to do to get out of the contract?
5. Any other specifics necessary for the situation.



# PRODUCTION AGREEMENT

**This agreement will take place on the property legally described as:**

NW 1/4, SW 1/4, Sec. 2, R54W, T5N

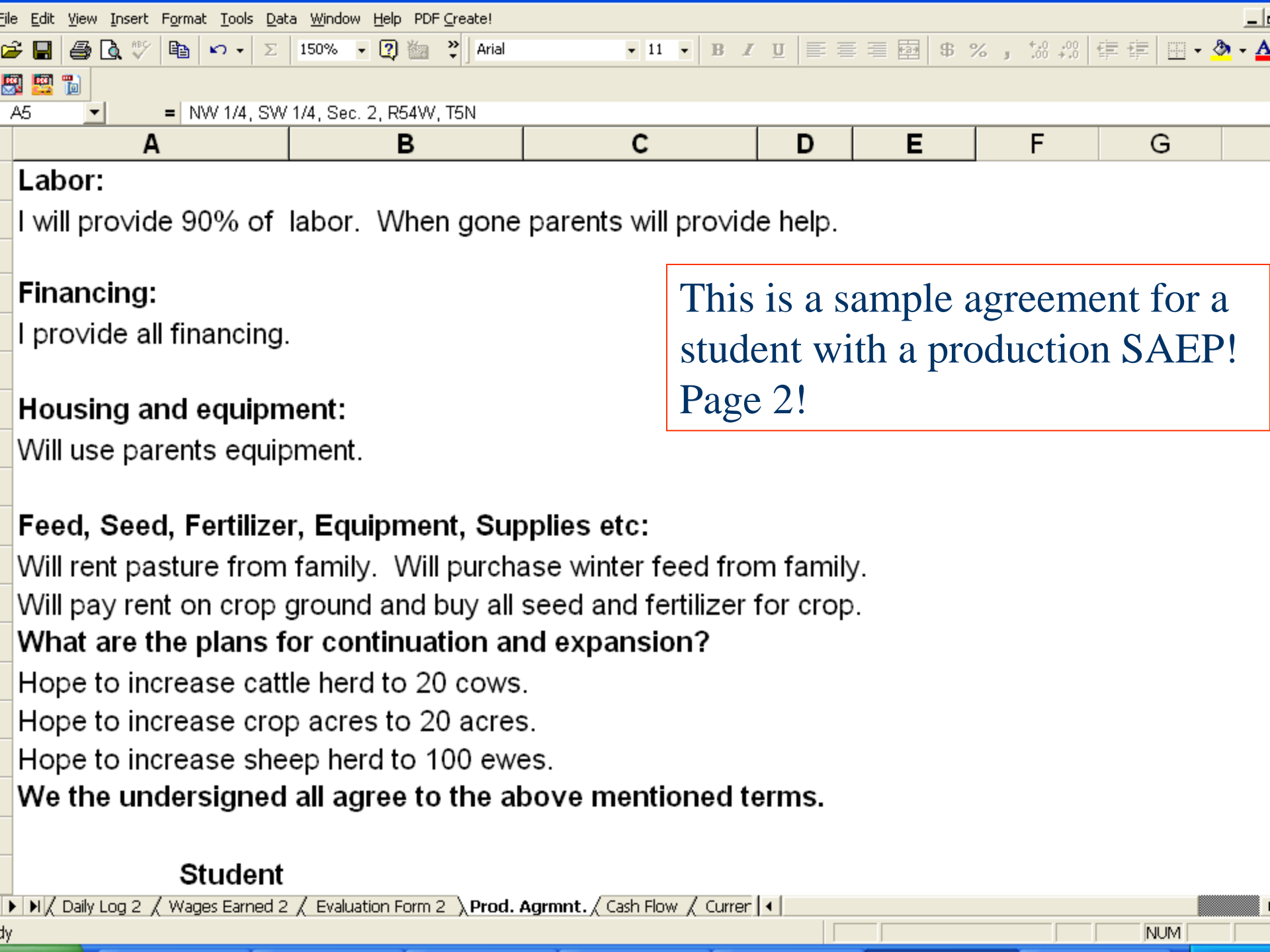
**The terms of this agreement shall commence on:** 1/1/2006

**This agreement will terminate on:** 12/31/2006

**Describe the kind of enterprise(s) and the scope of each enterprise**  
Beef Production- 12 crossbred cows and 20 feeder calves  
Sheep Production- 46 ewes  
Crop Production- 5 acres of alfalfa

**Labor:**

This is a sample agreement for a student with a production SAEP!



**Labor:**

I will provide 90% of labor. When gone parents will provide help.

**Financing:**

I provide all financing.

**Housing and equipment:**

Will use parents equipment.

**Feed, Seed, Fertilizer, Equipment, Supplies etc:**

Will rent pasture from family. Will purchase winter feed from family.  
Will pay rent on crop ground and buy all seed and fertilizer for crop.

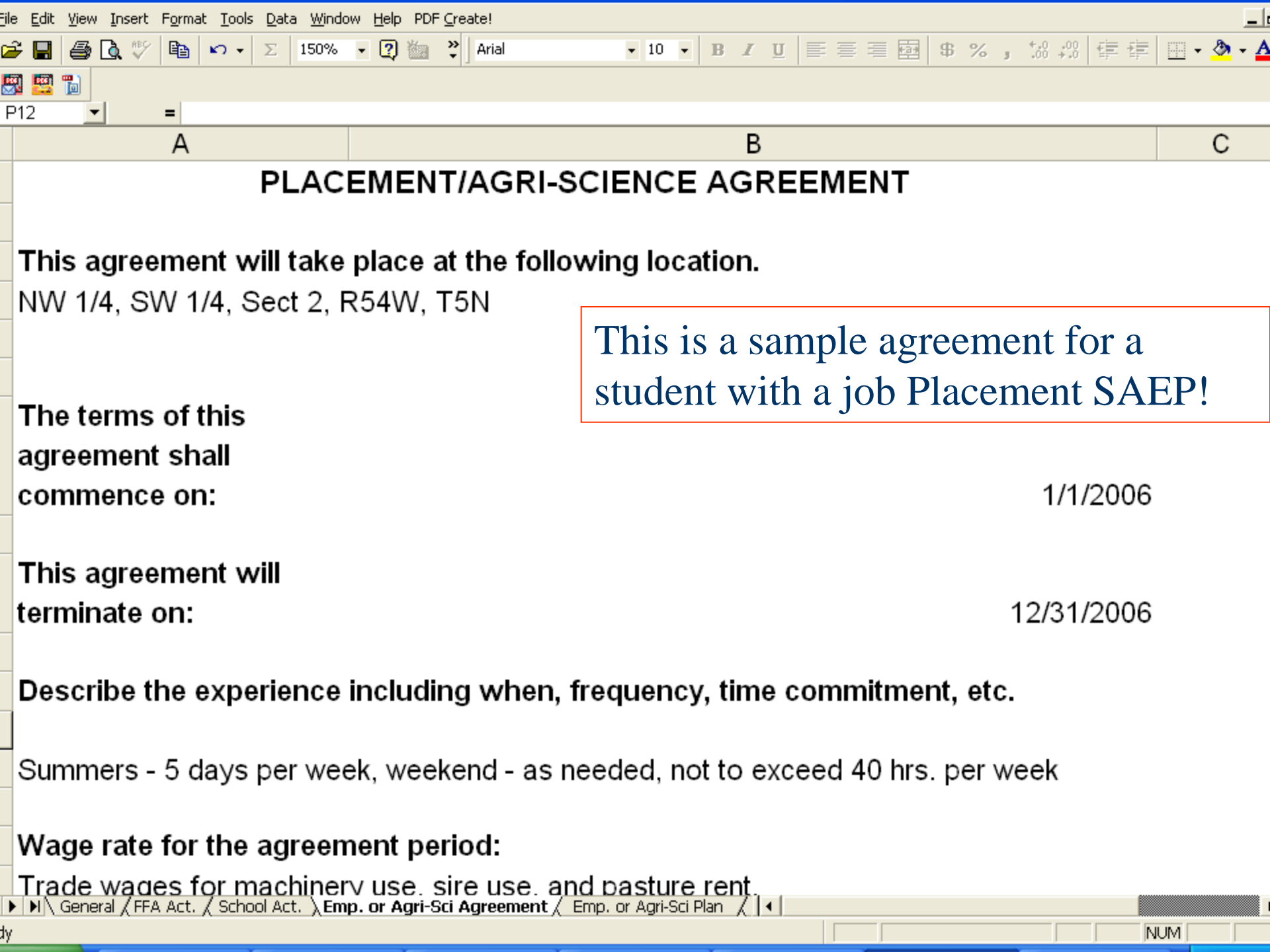
**What are the plans for continuation and expansion?**

Hope to increase cattle herd to 20 cows.  
Hope to increase crop acres to 20 acres.  
Hope to increase sheep herd to 100 ewes.

**We the undersigned all agree to the above mentioned terms.**

**Student**

**This is a sample agreement for a student with a production SAEP!  
Page 2!**



## PLACEMENT/AGRI-SCIENCE AGREEMENT

**This agreement will take place at the following location.**  
NW 1/4, SW 1/4, Sect 2, R54W, T5N

This is a sample agreement for a student with a job Placement SAEP!

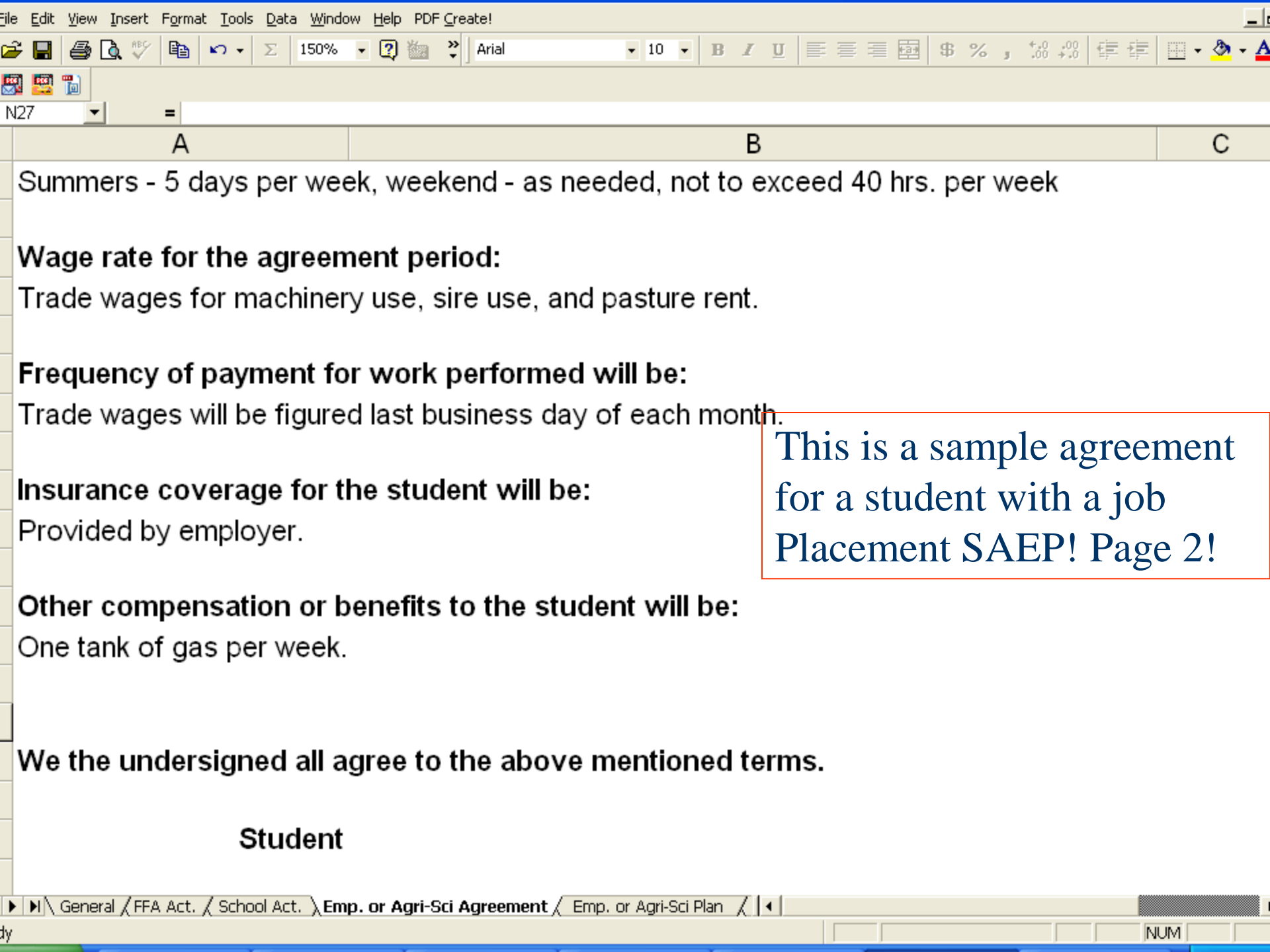
**The terms of this agreement shall commence on:** 1/1/2006

**This agreement will terminate on:** 12/31/2006

**Describe the experience including when, frequency, time commitment, etc.**  
Summers - 5 days per week, weekend - as needed, not to exceed 40 hrs. per week

**Wage rate for the agreement period:**  
Trade wages for machinery use, sire use, and pasture rent.





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A	B	C
Summers - 5 days per week, weekend - as needed, not to exceed 40 hrs. per week		
<b>Wage rate for the agreement period:</b>		
Trade wages for machinery use, sire use, and pasture rent.		
<b>Frequency of payment for work performed will be:</b>		
Trade wages will be figured last business day of each month.		
<b>Insurance coverage for the student will be:</b>		
Provided by employer.		
<b>Other compensation or benefits to the student will be:</b>		
One tank of gas per week.		
<b>We the undersigned all agree to the above mentioned terms.</b>		
<b>Student</b>		

dy

General / FFA Act. / School Act. / Emp. or Agri-Sci Agreement / Emp. or Agri-Sci Plan

NUM

This is a sample agreement for a student with a job Placement SAEP! Page 2!