

Categories of Contract Language—Examples

Each of the following examples reflects suboptimal verb use, given the category of contract language involved. Revise them to reflect appropriate verb use and determine the category of contract language represented by each example.

1. Acme agrees to use reasonable efforts to obtain all Consents.
2. The Deposit shall promptly be repaid on termination of this agreement by the Buyer in accordance with section 6.
3. Jones shall submit any Dispute Notice no later than five Business Days after delivery of the related invoice.
4. The business and affairs of the Company will be managed by a single manager.
5. Dynaco assigns its rights under the Note.
6. The Buyer Indemnitees shall be indemnified by the Sellers against the following:
7. Notice of any Proceeding must be given promptly to the Indemnifying Party.
8. Any failure to timely report any such casualty shall constitute breach of section 4.2.
9. The Consultant shall be paid \$200 per hour for services under this agreement.
10. The financial statements shall comply with GAAP.
11. The arbitrator shall notify the parties of its decision no later than 30 days after commencement of the Proceedings.
12. Jones is entitled to have her expenses reimbursed promptly.
13. The Licensor reserves the right to terminate the License on occurrence of a Bankruptcy Event.
14. Acme shall deliver the Option Notice no later than five days prior to the Closing.
15. The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.
16. The Employee shall receive an annual salary of \$100,000.
17. This agreement may be terminated by Acme on 10 entire days’ prior notice to Smith.
18. The Employee’s automobile expenses may not exceed \$2,000 per month.
19. Dynacorp shall not be required to hire any Acme employees.

20. “Consent” shall mean any approval, consent, ratification, filing, declaration, registration, waiver, or other authorization.
21. Nothing in this section 9.05 shall be construed to prohibit the Company from reincorporating in another domestic jurisdiction.
22. The obligation of Strategic to consummate the transactions contemplated by this agreement shall be subject to satisfaction, or waiver by Strategic, of the following conditions at or prior to the Closing: ... No Proceedings shall be pending or threatened in writing against Strategic that have the effect of preventing or making illegal any of the transactions contemplated by this agreement.
23. If the Exhibit A Redemptive Value shall fall below \$200,000, the Bid Amount shall be reduced by multiplying it by 0.6.
24. This agreement will terminate on August 23, 2007.
25. This agreement shall terminate if the Market Price falls below \$1.00.
26. The Purchase Price is payable by certified check or wire transfer of immediately available funds.
27. This agreement shall be construed in accordance with the laws of the State of New York, without giving effect to conflict of laws.
28. MEL shall be entitled to 10% of any equity issued by Wexford to the Company in connection with the Sale.
29. Acme shall hire any Widgetco Employee that Widgetco shall designate in a notice to Acme.
30. The Seller shall be obligated to give the Buyer access to the Seller’s books and records.
31. If Stratos exercises the Option, the Tax Liens shall be excluded from the Ironwood Assets.
32. Any real property that Jones shall own shall not be subject to the Lien.
33. Neither Seller shall be required to obtain the Consent of any Person in connection with execution and delivery of the Transaction Documents.
34. It is expressly acknowledged by the Parties that the Patent is subject to challenge.
35. At the Closing, no Purchaser shall assume any liabilities of any of the Ironwood Sellers or of any Ironwood Assets relating to the period prior to the Closing.
36. This agreement shall not be construed in any way as an admission by the parties that either of them has acted wrongfully.