
K-Notes: Purchase Agreement from Tesla

Simple Language

By using “us” and “we” to refer to Tesla and its affiliates, and using “You” for the client, this agreement reads more easily. Keeping language simple can lower the barrier to reading and make the sales cycle shorter as well.



“If you find yourself not wanting to overcomplicate a document, this is a good shorthand if you can incorporate those other documents by reference.”

Jeffrey Pomeranz
General Counsel,
Pomeranz Law

KEY TAKEAWAYS

- **Straightforward Purchase Section**

By simply saying “You agree to purchase...” and “We agree to sell...” then referencing a separate price sheet, this section is very easy to read and understand.

- **Longer Runway Time = Need Flexibility**

If your client is selling a product that has a long runway time, meaning it takes awhile for third party parts to come in for assembly, you will need to build in flexibility to the agreement to allow for fluxuations in pricing.

- **Define Vague Terms**

Simple language can sometimes introduce ambiguity. When using “Us” in the installation section, it is unclear if that includes Tesla as well as their subcontractors. Make this obvious and defined to avoid potential future problems with voided warranties.

- **Single, Separate Privacy Policy**

Having the privacy policy separate can help keep the agreement short, and avoid wasted time updating every contract when the privacy policy is updated. However, the company needs to keep robust records to know which version of the privacy policy was issued to each client.

“If you are able to take any contract and make it into a digestible format, it’s going to increase your sales cycle.”